

Stensland, Jeff

From: "Walker, Trey" <TreyWalker@gov.sc.gov> [TreyWalker@gov.sc.gov]
Sent: Thursday, March 31, 2011 9:29 AM
To: Tim Pearson
Cc: Jamie Shuster; Anthony Keck; Nikki Haley; Rob Godfrey
Subject: Re: Spartanburg Herald Journal: Health plan advocates: SC may get fed exchange
Attachments: TEXT.htm

I agree with that too. My concern is that in a vacuum, this will get framed against the administration. Haley v. Obama is always my fav.

On Mar 31, 2011, at 9:18 AM, Pearson, Tim wrote:

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>>> 3/31/2011 8:58 AM >>>
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stephen.largen@shj.com<mailto:stephen.largen@shj.com>

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Meanwhile, state Health and Human Services Director Tony Keck said South Carolina will move forward with a health insurance exchange study committee financed by a \$1 million federal grant despite calls from the groups to return the federal money.

Democratic state Reps. Harold Mitchell of Spartanburg and Gilda Cobb-Hunter of Orangeburg along with the S.C. Small Business Chamber of Commerce said groups opposing the bill are making it more likely that the state will be forced to use a federally created exchange.

Those groups include the S.C. Campaign for Liberty, the Spartanburg Tea Party and the S.C. Policy Council.

The bill introduced by Mitchell in February proposes to allow South Carolina to opt out of a federal health care reform provision by establishing an exchange – a marketplace where multiple insurance providers compete to offer affordable rates to the uninsured.

Under the terms of the 1-year-old health insurance reform law – formally known as the Affordable Care Act – states are required to create an exchange or have one created for them by the federal government. The exchanges are to open by 2014.

Wednesday, the S.C. bill lost its last two Republican co-sponsors after losing eight Tuesday, including House Ways and Means Committee Chairman Dan Cooper, R-Anderson.

The mass withdrawal of support for the bill from Republicans came as the activist groups urged their supporters to contact legislators from their districts to voice opposition to the bill, which the groups see as part of what they call "Obamacare."

Mitchell said some of the groups sent strongly worded e-mails to some of the bill's former Republican co-sponsors, telling them they would face tea party-backed challenges for their seats if they continue to support the bill.

Leaders of the Spartanburg Tea Party and S.C. Campaign for Liberty said in interviews this week that South Carolina should be focusing its efforts on fighting the insurance reform law instead of implementing any aspect of it.

Mitchell and supporters of his bill said the groups miss sight of the fact that the state will have a health insurance exchange by 2014, whether its created by South Carolina or the federal government.

The state should use its chance this year to tailor an exchange that better matches the state's needs, bill supporters said. Legislators, particularly Republicans, will be unwilling in next year's legislative session that coincides with a presidential election year to support any form of health exchange legislation that has already been labeled as part of "Obamacare."

Lawsuit pending

South Carolina is among the states suing the federal government, challenging the constitutional basis of the Affordable Care Act, but several news organizations have reported the provision requiring health insurance exchanges will remain in place regardless of the outcome of the legal challenges.

Keck said he believes the legal challenges to the Affordable Care Act could still allow states to avoid being forced to have exchanges.

"The issue is still outstanding," he said.

But Keck said the health insurance exchange study committee should move ahead in gathering public input and looking at how other states are dealing with the health exchange requirement instead of sending the \$1 million in federal money back as some other states with Republican chief executives have opted to do.

Gov. Nikki Haley earlier this month issued an executive order creating the study committee that is scheduled to first meet April 15 and report its recommendations by late October. The executive order made no mention of Mitchell's bill. Keck and Haley want to allow the study committee to finish its work before they even begin to consider supporting any move to create a state exchange.

Keck said South Carolina and other states also need more specific information from the U.S. Department of Health and Human Services on what the exact rules governing a state exchange will be.

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"The feds aren't capable of or are refusing to release more regulations."

Chiquita Brooks-LaSure, director of coverage policy in the HHS Office of Health Reform, said in an interview last week that in 2013 HHS has to determine whether the state is ready to start an exchange in 2014.

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Sent: Thursday, March 31, 2011 9:30 AM
To: Rob Godfrey
Cc: Jamie Shuster, Anthony Keck; Tim Pearson; Trey Walker
Subject: Re: Spartanburg Herald Journal: Health plan advocates: SC may get fed exchange
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Ok we are losing our message here. The whole point of this commission should be to figure out how to opt out and how to avoid a federal takeover, NOT create a state exchange.

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