

(Mobile) Press-Register

Hedging our bets (Insight)

Published: Sunday, January 01, 2012, 6:06 AM

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Special to the Press-Register

You'd have to live under a rock not to know that Alabama is suing to overturn the Affordable Care Act of 2010, often mocked as "Obamacare." But even many daylight-loving Alabamians are unaware of the state's innovative efforts to hedge its bets on health reform.

If the law survives the multistate challenge it will face this spring in the U.S. Supreme Court, Alabama will be well on its way to securing an expanded and fairer health insurance market for everyone, and a stronger safety net for low-income workers and their families.

That outcome will be thanks to the work of a commission Gov. Robert Bentley appointed to study the ins and outs of implementing a key aspect of the reform, despite his strong opposition to the law.

Right now, one out of every six Alabamians lacks health insurance, and workers making at least \$200 a month earn too much to qualify for Alabama Medicaid. Thousands who do have insurance face a rude awakening when their policies fail the "stress test" of a major illness or a pre-existing condition.

For all of these people and their families, the Affordable Care Act offers real solutions and long-awaited peace of mind. Some of the reforms are already in place.

No longer can children be denied coverage because of a pre-existing condition. Insurance companies can't limit how much they pay out over someone's lifetime. Insurance policies now have to cover in full annual checkups and preventive care like mammograms and colonoscopies.

Other improvements are coming soon, such as the removal of the pre-existing condition exclusions for adults and an end to annual benefit caps.

One crucial step for expanding coverage in Alabama will be the creation of what the law calls a state health insurance "exchange." This will be a user-friendly marketplace where people who need insurance can compare and choose plans and get assistance for paying their premiums, on a sliding scale determined by income.

That's where Gov. Bentley's efforts come in. When he established the Alabama Health Insurance Exchange Study Commission last June, the governor gave it the task of helping to shape a "consumer-centric health insurance market" in Alabama.

Toward that goal, he appointed two consumers to sit alongside other stakeholders such as insurers, brokers and health care providers on the study commission.

The recommendations they submitted last month, though not binding, offer a well-drawn, reality-based roadmap for legislators as they set about redesigning Alabama's health insurance market.

It's worth noting that the first formal vote the commission had to take after completing its study was whether or not to recommend establishing an Alabama Health Insurance Exchange at all.

In states that decline to set up their own exchanges, the federal government will operate a federal exchange. Our commission understood that Alabama needs a health insurance marketplace designed by and for Alabamians.

Alabama Arise and other advocates will highlight the importance of consumer protections and oversight as lawmakers hammer out an exchange bill next spring.

The other major improvement we'll be supporting is expanding Medicaid to cover more people in need of health insurance.

The Affordable Care Act requires all states to offer Medicaid coverage to people earning up to 133 percent of the poverty line, or just under \$30,000 for a family of four. That's more than 12 times Alabama's current Medicaid income limit.

Alabama Medicaid estimates the change will bring coverage to around 500,000 more Alabamians.

Under the health reform law, the federal government will pick up the full tab for newly eligible Medicaid recipients from 2014 through 2016. This means an investment of hundreds of millions of federal dollars in Alabama's health care infrastructure, employing thousands more tax-paying health workers to increase access to care.

That boost to Alabamians' economic and physical well-being will enhance our capacity to begin chipping in a required state portion in 2017, up to a maximum of only 10 percent for 2020 and after.

Providing half a million people with health coverage at one-tenth of the cost is too good a bargain for Alabama to pass up.

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