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## Health Insurance Exchange Myths

**Myth** - Rejecting a state-run health insurance exchange will ensure Idaho will not be part of any exchange.

⇒ **Fact** – The Patient Protection and Affordable Care Act (PPACA) requires every state to have a health insurance exchange. The question is not whether Idaho will have an exchange, but rather who will build and administer the system – the federal government or the state. Ignoring the law would invite increased federal involvement in our state affairs through regulation of our insurance markets, forfeiting the creation of jobs in Idaho to other states, adding to the enlargement of the federal bureaucracy and incurring federal fees for operating costs associated with running a federal exchange, such as the current proposal to charge insurance companies a 3.5-percent fee for each policy premium.

**Myth** – Idaho shouldn't participate in establishing an exchange because the federal government will not be able to accomplish creating the federal health insurance exchanges. Let the federal government fail at this process.

⇒ **Fact** – The federal government has been working with contractors and vendors since the passage of the bill almost three years ago in preparation for the start date of January 2014. There is now a federal website available in preparation for enrollment in October of 2013 at [www.healthcare.gov](http://www.healthcare.gov). Absent a state-run exchange, the state will be connected to a federal exchange.

**Myth** – By choosing a state-based health insurance exchange, the Governor is allowing all of the PPACA or Obamacare to be enacted in Idaho.

⇒ **Fact** – Congress passed the PPACA or Obamacare almost three years ago. Several states (including Idaho) sued over the mandate to purchase health insurance. The states lost the lawsuit. The Supreme Court upheld the constitutionality of the law. Requirements of the law are now reaching the established timelines for being incorporated into health care and insurance carriers' business systems. This is the law of the land and will be adopted whether or not the Governor opts for a state or federal insurance exchange.

**Myth** – There will be no impact to the State's businesses if we allow the federal government to run the exchange.

⇒ **Fact** – Only in a state-run exchange will stakeholders be able to fully participate in the creation and administration of the exchange. As issues arise, businesses and consumers may not have a state presence to address their grievances, make changes or petition the federal government.

**Myth** – There is no flexibility for the state in the administration of a state-run exchange. The federal government will still have all the control.

⇒ **Fact** – Idaho currently follows thousands of rules and regulations imposed by the federal government in all aspects of governing the state. Federal/state cooperation is not a new concept. In cooperation with the federal government there are numerous documented areas that the state will have the ability to make decisions in creating and administering the state-run exchange. In addition to those, a state-based exchange will provide Idaho with more control over operational costs, controlling costs to consumers. It will rely on existing state agencies to perform functions they already perform instead of creating duplicate federal functions.

**Myth** – The Idaho Health Freedom Act prevents the Governor or the Legislature from creating a state-based health insurance exchange (SBE).

⇒ **Fact** – According to the Idaho Attorney General’s Office report to the Department of Insurance, “the Idaho Health Freedom Act (IHFA) predates passage and constitutional review of the Patient Protection Affordable Care Act (PPACA). The IHFA is an attempt to override the passage of PPACA and the insurance mandate included therein. Importantly, the IHFA was adopted prior to passage of PPACA and prior to litigation of the overarching issue of constitutionality.”

“The key to whether the Idaho Health Freedom Act (IHFA) prevents the creation and operation of a SBE is whether the SBE imposes, collects, enforces, or effectuates any penalty under PPACA. In fact, no penalty attends implementation or operation of a State-Based Exchange or Federal Exchange. ... the authority to impose, collect, or enforce a penalty rests exclusively with the I.R.S.”

**Myth** – The Governor’s decision to support a state-run health insurance exchange shows his support of Obamacare.

⇒ **Fact** – The Governor’s intention, by supporting a state-run exchange, is to assert our independence and our commitment to self-determination, while fulfilling our responsibility to the rule of law.

**Myth** – Everyone has to participate in the health insurance exchange.

⇒ **Fact** – You do not have to use the state or federal exchange if you are currently covered by health insurance, have Medicare, are currently covered by Medicaid, or choose to purchase insurance outside the exchange. An exchange would assist individuals without health insurance benefits, small businesses needing to pool with other small businesses to cover their employees, those needing to find out if they qualify for Medicaid benefits coverage or would qualify for a federal subsidy to help pay for their health benefits coverage.

**Myth** – It will be better for the state to take a wait-and-see approach to the exchange and opt in at a later date.

⇒ **Fact** – By waiting we will miss our opportunity for input during the design and implementation of the exchange. Because of our state’s rights stance, it is more reasonable to be at the table, negotiating on behalf of our citizens, rather than risk more federal control of our health care and insurance industries.