



**WIPP WORKS IN WASHINGTON
November 2012**

Now that the election is over, the healthcare reforms of “Obamacare” are here to stay. That means that the new insurance marketplaces for small businesses and individuals, called healthcare exchanges, will move forward as planned. The exchanges, required to be in place by 2014, will start enrolling customers in October of next year.

These new exchanges will transform how small businesses buy health insurance in two important ways. First, they change your buying power. The exchanges pool all small businesses in a state together, rather than the current practice of insuring one business at a time. With these new exchanges, the stories of one person in a small company getting sick and upending the company’s health insurance plan should be stories of yesteryear. Second, it is likely that small business will have more insurance plans from which to choose. With a larger pool of customers, more insurers will be drawn to offer coverage.

It should be noted that companies with less than 50 employees are not required to offer health insurance. However, if it were more affordable, more small employers in this category would offer insurance. WIPP members continue to tell us that it isn’t that they don’t want to offer insurance—today’s pricing is just too expensive.

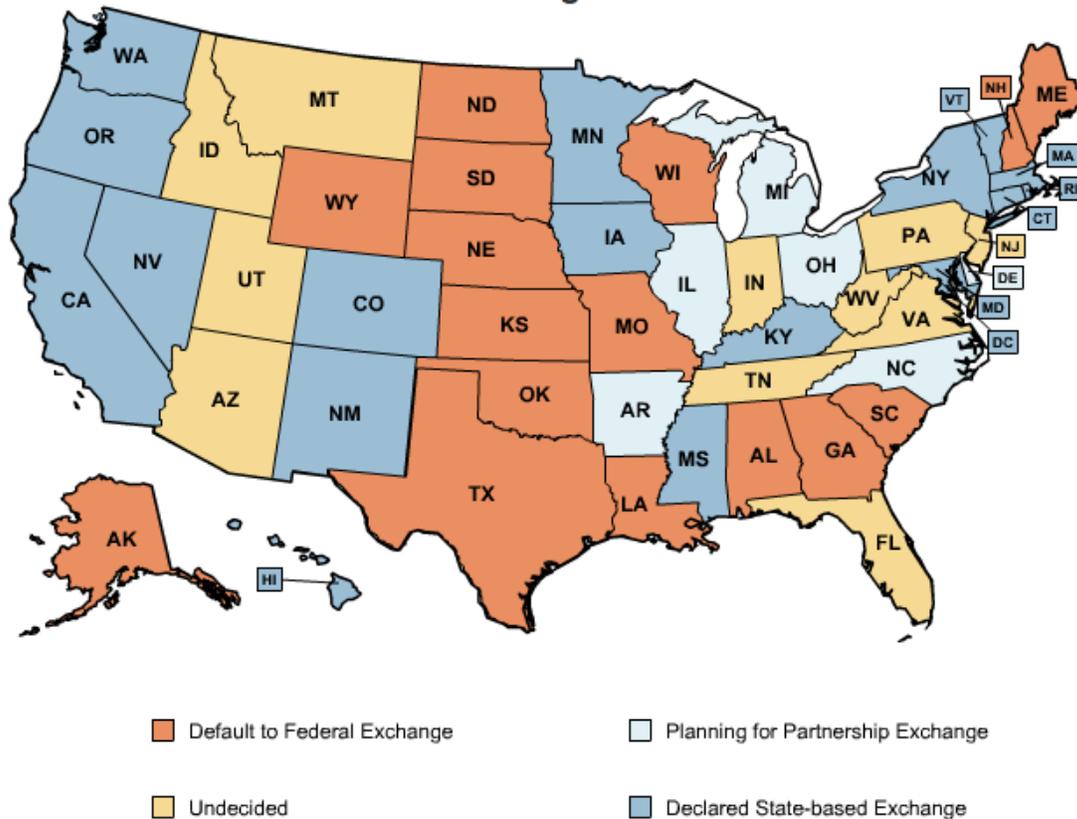
But where are we with the actual implementation of the insurance marketplaces mandated in Obamacare, passed more than two years ago? Those exchanges are forming right now.

States must choose by December 14th, 2012, which kind of exchange they want to put into place. State Governors have three options: run their own exchange, ask the federal government to run one for them, or a hybrid option in which the state and the feds share responsibility for running it.

Looking ahead to 2013, another deadline is coming in February. If a state chooses to involve the federal government in their plan, they have until February 15th of next year to detail the federal government’s role.

As an advocate for WIPP, the indecisiveness of Governors to plan for this important marketplace for small business is disappointing. The law gave states two years to decide the structure of the exchanges—and as the map below shows, many have not.

Exchange Decision



(Graphic Source: Kaiser Family Foundation. Updated 11/19/12)

Eleven states have not even decided the most basic question—whether to have a state run or federally run exchange. Seventeen states and the District of Columbia have declared state-based programs. Six states have chosen the hybrid option and sixteen states have decided to go with the federally run exchange.

These decisions (and indecisions) strike me as ironic since, for a decade, the states argued against small business pools saying they needed to have total control of their state insurance offerings.

Apparently lost at the state level, is the voice of small business and their support for statewide exchanges. Had we effectively communicated our message, it seems to me that Governors would have made more of an effort to formulate their exchange plans.

Usually my call is for communications to Congress. But in this case, the call to action is a message to your Governor. Tell your Governor that the small business exchange in your state will offer important health care options to small businesses. We often think of advocacy at the national level, but right now, with this issue, it is at the state level where important decisions are being made.

The ability to pool together to buy health insurance was something WIPP fought for at least a decade. Now is the time to act.