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Mixed views aired on insurance exchange guidance

By [Jessica Zigmond](#)

Posted: September 12, 2012 - 9:30 pm ET

Tags: [Healthcare Reform](#), [Insurance Exchanges](#), [Insurance](#), [Legal](#), [Policy](#), [Revenue](#)

As a panel of experts and a handful of lawmakers decried a lack of clarity from HHS and a high degree of uncertainty surrounding the health insurance exchanges, others at a federal hearing Wednesday said those states with the political will have made progress and will continue to do so.

"Certainly what I'm seeing is that states that want to move have enough information and are moving," Heather Howard, director of the State Health Reform Assistance Network, told Modern Healthcare after testifying about exchanges before the House Ways and Means Health Subcommittee. The network is a Robert Wood Johnson Foundation program that works with states to implement insurance coverage expansions under the Patient Protection and Affordable Care Act. "Is there always room for more? Of course, and I think we're going to hear more from the federal government as they prioritize the regs and get it out," she added.

But HHS' delay in issuing rules has caused delays for states such as Pennsylvania, testified Michael Consedine, the state's insurance commissioner. "Most of these outstanding regulations address critical issues on the operations and requirements of key components of the ACA, like health insurance exchanges," Consedine said. "The lack of detailed information from HHS has put Pennsylvania, and many other states, in a very difficult position. We are traveling down a road, directionless, while knowing the road will soon end—January 2014 is right around the bend."

Rep. Jim McDermott (D-Wash.), however, said his state is "ready to go," and that the exchange process is working in some states because the political leadership there wants it to work. It's not working in other states, McDermott added, where the political leadership wants to defeat the law.

Meanwhile, James Blumstein, professor of constitutional law and health law and policy at Vanderbilt Law School, testified about the legal implications of the Affordable Care Act and said the Internal Revenue Service overstepped its authority when it issued a rule that provides for federal subsidies for income-qualified individuals in either a state-run or federally run exchange. The law is unambiguous, Blumstein argued, saying that subsidies should be provided only for state-run exchanges.

"And when you say that the law is what it is—that there is an authority for one exchange and no authority on the other exchange—there's no ambiguity in the law," Blumstein said after the hearing. "And so therefore, there's no gap-filling function that the agency (the IRS) can perform," he added. "And it has issued a rule and it has exceeded its authority."

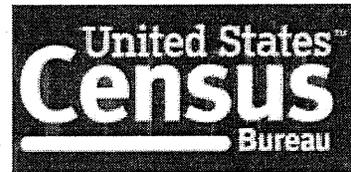
As states and health plans await a rule on essential health benefits from HHS, Rep. Diane Black (R-Tenn.), a nurse, said they shouldn't expect the regulation before the November elections.

"I don't think you'll see that," Black laughed. "I'd be very surprised."

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Ranks of uninsured drop to 15.7% in 2011



The number of insured young adults increases by half a million.

By [Gregg Blesch](#) and [Melanie Evans](#)

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Tags: [Access](#), [Healthcare Reform](#), [Insurance](#), [Medicaid](#), [Medicare](#), [Payers](#), [Public Health](#), [Uninsured](#)

More young adults with health insurance helped reduce the number of U.S. uninsured last year to 48.6 million from 50 million the year before, the U.S. Census Bureau said.

David Johnson, chief of the U.S. Census Bureau's social, economic and housing statistics division, said in a call with reporters that coverage gains among those ages 19 to 25 and increased public insurance coverage accounted for last year's growth in insurance coverage.

New [Census Bureau figures](#) show 260.2 million people were insured last year, up from 256.6 million in 2011.

The rate of uninsured among those ages 19 to 25 declined to 27.7%, or 8.3 million young adults, in 2011 from 29.8%, or 8.8 million young adults the prior year.

Young adults ages 19 to 25 who gained coverage accounted for 40% of the decline in uninsured last year, according to Census Bureau statistics. The Patient Protection and Affordable Care Act extended dependent coverage to adults up to age 26 in September 2010.

For the first time in 10 years, the rate of private insurance coverage in the U.S. did not fall. The percentage and the number of people with private insurance were statistically unchanged,

according to the newly released census figures.

Caroline Steinberg, vice president of trends analysis at the American Hospital Association, called the increased number of insured, decrease in the number of uninsured and stable employers-sponsored coverage "a positive development," but cautioned gains could be undermined by [cuts to federal spending scheduled in January](#) under a 2011 federal deficit reduction deal.

Supporters of the Affordable Care Act moved quickly to tout the insurance gains as signs of the law's success.

"The new Census Bureau report about uninsured Americans provides clear and unmistakable evidence of the current benefits of ObamaCare and the need to move forward with the full implementation of the law in 2014," said Families USA, a consumer advocacy group.

The rate of U.S. uninsured dropped to 15.7% in 2011 from 16.3% in 2010. It was the largest drop since the Census Bureau adjusted its methodology in 1999.

Public insurance, which includes Medicare, Medicaid, the Children's Health Insurance Program and military benefits, increased to 99.5 million people from 95.5 million the prior year. Johnson said public insurance coverage increased each of the past five years.

The percentage of those covered by Medicaid increased to 16.5% last year from 15.8%. Medicare coverage increased to 15.2% of the population from 14.6% in 2010.

Sister Carol Keehan, president and CEO of the Catholic Health Association, said in a written statement that the Affordable Care Act contributed to the drop in uninsured young adults and the law "brings signs of real progress" to the "continued moral and economic challenge" of U.S. uninsured.

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