Kentucky Gov. Steve Beshear hasn’t second-guessed his decision to run a state-based health insurance exchange as part of the Affordable Care Act.

The Kentucky exchange—Kynect—has been lauded as a model even as the website for federal exchange, HealthCare.gov, had a difficult rollout. But that isn’t the reason Beshear remains happy with his decision. He had talked with stakeholders in the commonwealth, including the Kentucky Hospital Association, the Kentucky Chamber of Commerce, provider groups and advocacy groups, before making the decision to open a state-based exchange.

“They all felt, as I did, that every state is unique and that we would benefit from designing our own exchange to fit Kentucky,” Beshear said. “I think that decision has proved to be correct.”

The difference, Beshear said, was that Kentucky planned well ahead of the Oct. 1, 2013, launch date. Carrie Banahan, executive director of the Office of the Kentucky Health Benefit Exchange, said the state tested the system extensively between July and September.

By early December, Kentucky had signed up 60,000 people for coverage, and the state expected that to continue through the Dec. 23 deadline to have coverage beginning Jan. 1. That’s why between the Thanksgiving holiday and Dec. 23, the state prepared for even heavier usage.

Beshear hopes the interest in health care coverage continues throughout the initial enrollment period for the Affordable Care Act, which runs through the end of March. He’s not concerned that negative coverage of the initial rollout of the federal site, which serves people in the 36 states that chose not to run their own exchange, will affect his state.

“We’ve got 640,000 people in Kentucky who don’t have any health care coverage,” he said. “These people get up every day and go to work and support their families. They also get up every day and roll the dice and just hope and pray that they don’t get sick because they know they are one bad diagnosis away from bankruptcy.

“That’s no way to live. That’s no way to raise your children,” Beshear said. “We have an opportunity to change that now and we’re going to change it.”

Nationwide Need

The story is the same across the country. The Kaiser Family Foundation estimates 47 million Americans don’t have access to affordable health care.

Unlike Kentucky, the problems with the federal site could have ripple effects across the country.
“Because the website hasn’t been working as well as had been hoped, it may be hindering people from enrolling, which could ultimately have an effect on the long-term sustainability of the marketplaces,” said Jennifer Tolbert, director of State Health Reform for the Kaiser Family Foundation.

By many accounts, HealthCare.gov was functioning much better in early December, after the Department of Health and Human Services brought in tech experts to rid the troubled site of a multitude of glitches. In the first two days of December, 29,000 people signed up for coverage—the same number that signed up in the first two months it was open, according to Politico.

States and the Obama administration rolled out a marketing campaign to renew interest in coverage and counter the negative press in the first two months of the exchange.

Whether that will be enough is yet to be seen. The Affordable Care Act has been wrought with political bickering, even more than other social programs, Tolbert said.

“I think (the fact that) this has remained such a politicized issue has surprised many people,” she said. “But that said, this does represent a significant change to our health care system and typically this type of social change doesn’t occur without opposition.”

The politics of the exchanges, which Beshear points out is part of an established law, has been confounding.

“Many of the critics … are those who believe in local control and who say they don’t want the federal government running their business,” he said. “It’s ironic that those same people are the ones that made the decision to let the federal government come into their states and have the federal exchange as opposed to designing their own exchange that would fit the unique nature of their states.”

**Criticism in the States**

While Kentucky has been successful, it has still faced criticism. The vast majority of those who sought coverage on the site—48,000—have qualified for the expanded Medicaid program.

But that makes sense, Beshear contends, because once people discover they qualify for Medicaid, they don’t have to do anything other than select a managed care organization.

“If you find out that you qualify to be covered for the Medicaid program, that’s pretty much the end of your effort,” he said.

He expects the numbers to even out as time passes. About half of the 640,000 Kentuckians without insurance qualify for expanded Medicaid and 92 percent of those left will qualify for premium subsidies, according to Banahan.

Beshear said about 15,000 people found they qualified for premium subsidies and were in the process of picking a health plan.

“People take longer to do that and they should take longer to do that,” he said. “It’s a little more complicated and so they’re looking at all the different things.”

Other states, like California, Minnesota New York and Washington, have had similar success with launching state-based exchanges. Some, like Oregon, have seen significant failures of their systems, Tolbert said.

But she believes if the sites were running better by the end of November, as President Obama promised in October, the story line could change. That will take a concerted effort and smoothly running websites. If problems continued, she said, people who need health care might keep trying, but others—like the young healthy people needed to make the concept of the Affordable Care Act work—may not.
“Maybe they would have signed up had it been an easy process, but ... once they face difficulties, they may choose not to come back and pay that $95 penalty in the first year,” Tolbert said.

The Big Picture

Tolbert said expanding affordable health care is a long-term proposition.

“We are not going to get everybody enrolled, certainly not by December or Jan. 1 or even by the end of the enrollment period in March,” she said. “I think we need to take a long-term view and assess how implementation goes over the next couple of months certainly, but the next couple of years as well.”

The early stages of implementation have offered some valuable lessons, and Tolbert predicted states and the federal government will upgrade systems and make changes to facilitate enrollment during the next enrollment period, which begins in November.

“There is a bit of a learning curve,” she said. “Even if things are working, there certainly remains room for improvement and likely the systems will be improved over time.”

She and Beshear believe it’s important to keep an eye on the ultimate goal—to get more people covered.

“This obviously is a major sea change for our people and our providers and folks who are going to participate in the system, so there will be issues that arise,” Beshear said. “But we should not take our eye off the fact that, for the first time in history, every single Kentuckian will have access to affordable health coverage.”

Tags:
Content Type Publications [7]