



# Policy Update

## South Carolina Policy Council

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### Health Planners Lament “Inevitable” Takeover

*What the state’s Health Planning Committee has been doing – and not doing*

The South Carolina Health Planning Committee (see our earlier report [here](#)) is a group of state policymakers, health insurance professionals, and citizens appointed by the governor to decide whether or not setting up a state health exchange is “advisable and feasible.” The committee was also charged with considering alternative ways of reforming the health care market in South Carolina, but they’ve neglected that task in favor of debating the “inevitable” choice between a state-level or federal-level health exchange. As our [research](#) into the Patient Protection and Affordable Care Act (ACA) has revealed, there is not a significant difference between the two. Even a state health exchange would be tightly and continuously controlled by the federal government, raise the price of premiums, and destroy any possibility of a competitive, free market for health care in the state.

The committee’s recommendation to the Governor regarding health exchanges was originally set to be produced by the end of October. We’ve attended Health Planning Committee meetings consistently (see our video coverage [here](#)), and in the latest meeting all members agreed to request a 30-day extension for the presentation of their report. It seems increasingly obvious that no amount of time is enough to understand or implement a poorly written law that’s continually being changed by the federal government. In the past few months alone, the US Department of Health and Human Services has released hundreds of pages of new regulations, with many more set to be released over the next few years. Another example of the struggles of implementation of ACA is the recent failure of the Community Living Assistance Services and Supports program, or CLASS Act, which was to operate like a private insurance program collecting premiums upfront to pay later for long-term care.

In addition, the federal government has also begun to push forward a completely new “hybrid” model of health exchanges in closed-door national conferences with state policymakers. This hybrid would be run by both the state and federal government (though, it’s important to note, it would still qualify as a “technically” federal exchange). That this “third option” is mentioned nowhere in the actual text of ACA seems to be of little concern to federal policymakers. As usual, the “real” workings of government will be decided by state bureaucrats, federal bureaucrats, and the special interests they invite along, entirely behind closed doors in Washington.

No amount of “further rulemaking” – to use the federal government’s term for this process – will make any kind of health exchange a good idea for South Carolina. The members of the Health Planning Committee agreed in last week’s full meeting that the state’s priorities regarding health care were simple: to distribute information to consumers about health plans available in the state, and work toward market reforms that *improve health* in South Carolina. Neither of these goals is the focus of the federal health care law.

During another recent meeting, the committee was presented with the results of a [focus group](#) and [survey research project](#) conducted by researchers from the South Carolina Institute of Medicine and Public Health. The survey research project provided demographic information about South Carolina’s uninsured, and polled “key informants” on their opinions about sections of the health care reform law. During the presentation, the Committee members raised questions about the selection of these key informants; while a “key informant” is typically a survey respondent intimately familiar with the subject of the survey (in this case, ACA), it’s unclear whether or not these informants were selected on that basis. Indeed, some of their answers suggested a lack of familiarity with the subject, as South Carolina Department of Health and Human Services Director Tony Keck [pointed out](#) during the presentation.

The focus group, conversely, was conducted with a better-informed sample of insurance professionals, consultants, and small business owners, who came off strongly in favor of state, rather than federal, control of health reform. They also expressed concerns about the fact that ACA does little to nothing to control the spiraling costs of health care: in the words of one insurance industry representative surveyed, “neither system right now – the proposed system of the exchange or our current system – is dealing with the cost drivers of healthcare.” What those focus groups didn’t know is that a “state” health exchange actually provides the state very little control over health reform, as we’ve outlined in [our policy brief](#) on the subject.