

State Innovators

Many of the elements in the Affordable Care Act were developed and already being used in the states.

BY MARTHA KING

As the Affordable Care Act turns four this month amid continued sparring between proponents and opponents, it's easy to forget that many elements of the law emanated from state-based reforms.

States have long been innovators in public policy—developing different strategies to achieve similar objectives.



*Assemblyman
Herb Conaway
(D) New Jersey*

“America’s long and fruitful experiment in federalism continues to teach us that there are many paths to a common goal,” says New Jersey Assemblyman Herb Conaway (D), co-chair of NCSL’s Federal Health Reform Implementation Task Force.

Even though most of the components in the federal health reform act are popular in states that adopted them years ago, many policymakers still agree that “states need to retain the flexibility to craft their own solutions,” says Alabama Representative Greg Wren (R), co-chair of the NCSL task force.

“We don’t like top-down directives from Washington, D.C.,” he says.



*Representative
Greg Wren (R)
Alabama*

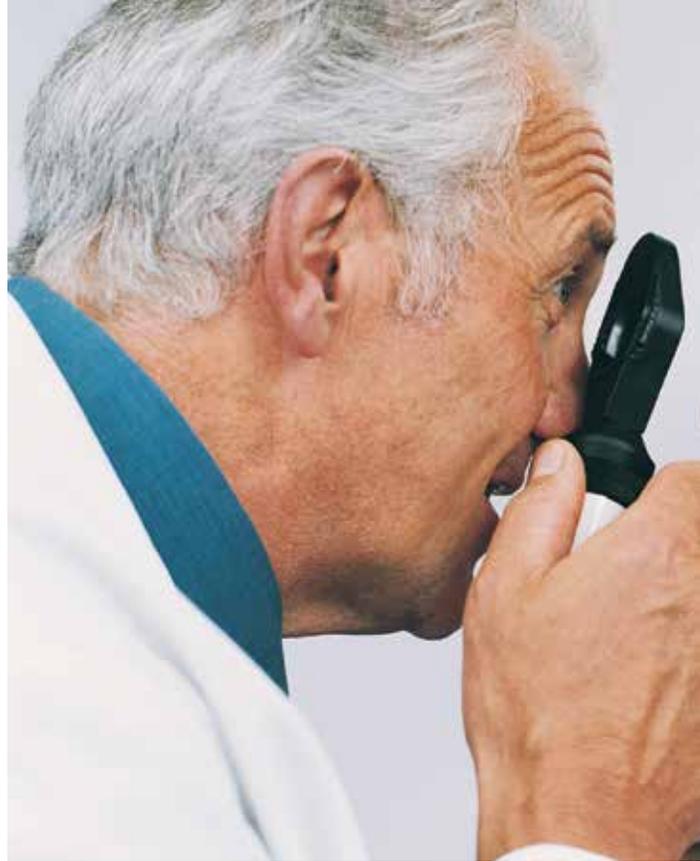
In Action Already

So what were states already doing before Congress passed the ACA? Both Massachusetts and Utah, for example, had created health insurance exchanges—through very different approaches—several years before the concept became a key element in the federal law.

Hawaii has required employers to offer health insurance to most of their employees since 1974. Subsequent federal law—the Employee Retirement Income Security Act (ERISA)—was adopted later the same year. It precluded other states from adopting Hawaii’s model; Massachusetts passed a less stringent version of the law in 2007.

The Bay State was also the first (and only) state to pass an

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individual mandate—the requirement that most people have to have some basic level of health insurance.

Thirty-five states had developed high-risk pools that allowed people with costly pre-existing conditions to buy insurance at a more affordable premium rate. Connecticut was first in 1976; North Carolina was 35th in 2009.

Thirty-seven states required most insurance plans to allow young adults—ranging in age from 20 to as high as 30 years old—to remain on their parents’ plans. Utah was the first state to adopt this benefit.

In addition, most states already had expanded Medicaid eligibility beyond federally required levels to certain populations—many to parents of Medicaid-enrolled children and a few to low-income childless adults.

State Initiatives

Elements of other state initiatives—to expand coverage, control costs, protect consumers and improve health—are reflected in the Affordable Care Act as well.

- ◆ Several states subsidized private insurance coverage for certain low-income people.
- ◆ All states mandated insurance coverage for certain services, ranging from 20 different ones in Idaho to more than 50 in Maryland. More than half of states required screening for cervical cancer and prostate cancer; three states required coverage for cochlear implants. New Jersey required coverage for a rare kidney cancer that primarily affects children.
- ◆ Forty-three states, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands had instituted reviews of health premium rates for insurance markets and issuers.
- ◆ About two dozen state legislatures passed laws authorizing the state insurance authority to require prior approval, or disapproval, of certain insurance premium rate changes.