

Supreme Court ruling on health care reform just around the corner

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Without a doubt, a majority of states have been dragging their feet when it comes to passing legislation for establishing a health insurance exchange – 36 states, to be exact. It is shocking that – despite the 2014 deadline being a mere two years away – only 14 states have passed legislation to set up an exchange, while 10 have yet to introduce any.

Though Massachusetts and Utah are still the only states that have operational insurance exchanges at this time, a bulk of states are immersed in planning efforts. For a few states including [Arkansas](#), [Florida](#) and [Louisiana](#), the Supreme Court's ruling on the constitutionality of President Obama's [Affordable Care Act](#) has provided enough justification to cease any planning efforts for an exchange. However, a majority of states are executing a wiser approach, which is why vendors should put their worries to rest. The reality is that these insurance exchange opportunities are not going anywhere.

Next spring, the Supreme Court will consider the following:

- Whether Congress has the power to require individuals to purchase health insurance.
- Whether Congress can coerce states to expand Medicaid by threatening to withhold funding from resistant states.
- Whether the individual mandate is severable from the rest of the overhaul and if its invalidation means getting rid of the law as a whole.
- Whether legal arguments brought against the health reform law are premature since the mandate will not be implemented until 2014.

Regardless of the Supreme Court's ruling, there will still need to be a solution to the health insurance coverage issue. The insurance exchange mandate was created in response to the overwhelming number of individuals without health care. The idea is that these marketplaces will allow individuals to compare and obtain affordable health insurance options. For that, even if the rule is overturned, states will still need to respond to the matter in some way. Though it is up to the feds to make sure health coverage is more accessible and affordable, the more challenging component of delivering the benefits is up to the states.

Even if the Supreme Court rules the Health Care Law unconstitutional, there will still be many states considerably far along in preparations for setting up the one-stop insurance shops, or will have at least decided the portal itself would be beneficial. Also noteworthy, quite a few states challenging the constitutionality of the law have received or will be applying for establishment grants, which further proves states are seeing value in these exchanges.

Moreover, vendors should not only pay attention to states that have passed legislation to set up an exchange, since it is clearly not a true indicator of progress. Instead, vendors need to focus on states that have received or will be applying for federal funding under the establishment grants, in addition to the 60 percent of states that have released solicitations for planning, consultation and gap analyses. For that, vendors should not be deterred by the Supreme Court ruling. States are going to move forward with exchanges for the benefits of their residents.

Delteck will be releasing a [report](#) in January on health insurance exchange efforts across the states, so stay tuned! In the meantime, check out our latest in-depth [Analyst Perspective](#) on insurance exchanges.