

As Health Insurers Implement Reforms, the GOP Promises to Break Them Down

September 27, 2010

Copyright: A.M. Best Company, Inc.

Source: BestWire Services

Sept. 23 was a big day. It was the six-month anniversary of the moment President Barack Obama signed health reforms into law. And that anniversary happened to be the milestone the Affordable Care Act had set as its date of adoption for several key provisions.

So, while health insurers made sure they met the new requirements (and their critics kept accusing them of trying to bend rules to their favor and evading the more potentially expensive provisions), the Republicans chose the same day to make a little announcement of their own. According to the party's new Pledge to America -- a set of political vows in the vein of the 1994 Contract With America -- the GOP will be doing everything in its power to undercut the health reforms that the industry is trying to adapt to.

"Because the new health care law kills jobs, raises taxes, and increases the cost of health care, we will immediately take action to repeal this law," the pledge reads. That follows a number of recent Republican threats to go after funding for health reform programs if they can manage to take control of the House of Representatives -- or less likely, the Senate -- in the coming election.

So, the health insurance industry heads into a period of uncertainty. There are three key parts moving in this reform machine, as seen through insurer eyes:

First, insurers are already adapting to the many rules being fired from the regulatory machine gun of the Department of Health and Human Services. Sept. 23 was just the beginning. Three more years of change are on the agenda, ending with the individual mandates of 2014 and doing business inside state-based health insurance exchanges.

As they implement new rules, the insurers have also been lobbying in the hopes of gaining an insurance-friendly outlook from people like HHS Secretary Kathleen Sebelius, who is no stranger to insurance arm-bending after her stint as commissioner in Kansas and president of the National Association of Insurance Commissioners. (America's Health Insurance Plans, for instance, spent nearly \$5 million on lobbying in the first seven months of this year, according to the Center for Responsive Politics.)

And as all this is happening, the GOP is promising that vigorous campaign to cut away the pillars of Democratic-led health reform if they can get their numbers back up. (For every \$7 Blue Cross Blue Shield donates to Democratic candidates for Congress, it gives a healthier \$9 to Republicans.) However, the GOP reform-killing effort may be more base-enticing political message than workable plan, because the reforms are already the law of the land, and there is still a Democrat with veto power in the White House. Still, the Republicans might cause some funding havoc, and then, of course, there's always the fact that Obama's re-election campaign in 2012 comes before the implementation of the biggest components of health reform in 2014.

So, the Republicans gave their Pledge, hoping it conjures the same kind of magic their party's Contract did 16 years ago. The lawmakers stood in a Virginia lumber business to announce their new set of promises, almost all of the politicians wearing some tint of blue shirt, maybe hoping that some of that voter-beloved blue would rub off on their party's white-collar reputation.

(Jesse A. Hamilton, Washington bureau manager)