

SB 1629 Marketplace/Exchange Bill – ObamaCare Model

March 2012

OK-SAFE, Inc. – Things are “getting curiouser and curiouser” in the Oklahoma legislature. According to some Senate Republicans, if you’re against “ObamaCare” you’d be for a bill implementing “ObamaCare.”



[Alice in Wonderland](#) pretty well sums up what it felt like when SB 1629 was being presented by Tulsa Senator Gary Stanislawski. (To read a great parable about the Senate’s Health and Human Services committee meeting see the [Oklahoma for Liberty](#) site [here](#).)

For the record, OK-SAFE opposes legislation that facilitates the implementation of “ObamaCare” health reform, and therefore opposes [SB 1629](#), establishing a state-based exchange/marketplace.

[Senate Bill 1629](#) by Pro-Tem Brian Bingman, which passed by a vote of 7-2 on Monday, would establish the very insurance exchange **model** (or “marketplace”) called for in the [PPACA](#)/Affordable Care Act, aka “ObamaCare”; and even though the Republican members of the Senate Health and Human Services committee *said* they oppose “ObamaCare,” not one of them voted against SB 1629, or even mentioned the actual content of the bill, which is reality, or the creation of *yet another trust* to oversee it.

Today, Sen. Tom Adelson submitted an amendment to the bill, nullifying it the Supreme Court shoots down PPACA, or a new Congress does.

Call your OK State Senator today and tell them you do not want an “Obama Care” exchange in Oklahoma, even if they call it a Marketplace.

The Individual Mandate

Most of the questions in this committee were about the “individual mandate” (not included in the bill.) A **fraction** of the Affordable Care is about the individual mandate; most of the rest of the bill deals with items such as the exchanges and the reconfiguration of the insurance market.

The committee members either hadn’t read the bill, or they were working from talking points or a summary; they did not discuss what the bill actually says.

SB 1629 Creates a Marketplace/Exchange and Another Trust – The Middle Man Model

The word “marketplace” is used to avoid using the notorious word “exchange.”

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[SB 1629](#) creates a public-beneficiary **Health Insurance Private Marketplace Network Trust**. [See diagram below]

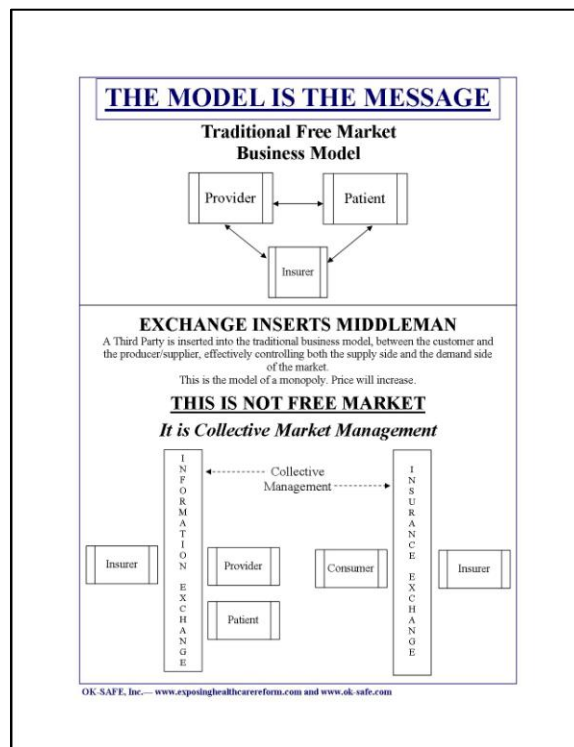
This Marketplace Network Trust would (initially) do two things: 1) take over and administer the premium assistance program (Insure Oklahoma) from the OK Health Care Authority, and 2) “develop and implement a marketplace assistance program to assist small businesses in the offering of employer-sponsored insurance purchased from the private market insurance carriers.” (In other words, an insurance exchange.)

This new trust has a twin called the [Oklahoma Health Information Exchange Trust](#), or [OHIET](#). Created by stealth in the last week of session in 2010, the [OHIET](#) is busy establishing the network of networks that facilitate the transfer of electronic health records everywhere.

Why would insurers be advocates for an exchange? *“Insurance companies are urging state officials to set up exchanges because they generally prefer state regulation. In addition, they stand to gain because the United States Treasury will send subsidy payments directly to insurers on behalf of low- and moderate-income people who enroll in health plans offered through an exchange.”* (National Center for Policy Analysis article [here](#).)

Kinda explains SB 1629 doesn't it?

The Model as Devised by SB 1629 This diagram depicts the middle-man model. (For a great explanation of the not-free-market model, see the Vicky Davis article entitled [The Model IS the Message](#).)



Click on diagram to see full-sized printable pdf available on the [Exposing Health Care Reform](#) website.

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OK-SAFE Summary of the Bill:

- Section 1 of the bill describes the legislative intent: to expand the “mission” of Insure Oklahoma by “*moving the administration of the Insure Oklahoma program from the purview of the Oklahoma Health Care Authority to a state public trust established in this act.*”

Translation: they’re moving management of government-sponsored insurance from one state bureaucracy to a newly created one.

- Section 2 establishes the new trust – *B. The Health Insurance Private Marketplace Network Trust shall be established as a state-beneficiary public trust.*

Translation: Oklahoma (government) is the beneficiary of the trust.

Section 2 defines the trust governance: *C. The Health Insurance Private Marketplace Network Trust shall be governed by a Health Insurance Private Marketplace Network Board.*

Translation: This section increases the power of the Executive branch due to powers of appointment; Fallin would get to appoint most of the Board members. Board members are unelected and not accountable to the public.

Of the 7-member board Governor Fallin would appoint three members, the Pro-Tem and the Speaker each appoint one; the other two are Insurance Commissioner John Doak and Secretary of Health and Human Services [Dr. Terry Cline](#) (also appointed by Fallin.)

C. ...The board of trustees shall consist of seven (7) members as follows:

1. *One member appointed by the **Governor** representing health insurance carriers granted a certificate of authority by the Oklahoma Department of Insurance;*
2. *One member appointed by the Speaker of the House of Representatives representing consumers and who has purchased policies through the Trust or is reasonably expected to purchase policies through the Trust;*
3. *One member appointed by the **Governor** who shall be a health care provider;*
4. *One member appointed by the **Governor** who shall be a representative of employer groups;*
5. *One member appointed by the President Pro Tempore of the Senate who shall be an insurance agent or broker;*
6. *The Insurance Commissioner - (John Doak)*
7. *The Secretary of Health and Human Services- (Terry Cline).*

F. The board of trustees shall promulgate rules as necessary to implement the provisions of the act.

Translation: The appointed board will be insiders, and they can make the rules for the trust, not the legislature. Also the board members elect the Executive Director, who will likely be Dr. Cline – just as was proposed in HB 2130 the HUB bill.

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- Section 4 is New Law authorizing trust to administer a premium assistance program for low-income individuals, and to assist small businesses (up to 250 employees for a for-profit; up to 500 employees for a not-for-profit). This was the Insure Oklahoma section, being defined for the trust.
- Section 5 reads in part:

A. The Health Insurance Private Marketplace Network Trust is authorized to develop and implement a marketplace assistance program to assist small businesses in the offering of employer-sponsored insurance purchased from private market insurance carriers which shall go into effect January 1, 2014.

And

*E. The board of trustees shall, **by rule, determine the funding mechanism for the marketplace assistance program authorized in subsection A of this section***

Translation: The new trust is given full authority to develop and implement the exchange (oops, marketplace) in any manner they see fit. The board of trustees can **make any rules** they'd like to govern the funding mechanism. Nothing in this section prohibits the trust from seeking federal funding, including federal grants that are available for states to develop an exchange – one was called the Early Innovator Grant, remember?

- Section 6 severs Insure Oklahoma from the OHCA, and gives it to the trust. Section 7 deals with waivers.
- And finally, Section 8 of the bill reads: *NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:*

The Oklahoma Health Care Authority is hereby directed to seek any and all Federal approval necessary to implement the provisions of this act.

This really shows the legislative intent. Federal approval. And Stanislawski said it would not be “ObamaCare” compliant? Want to bet?

[Aside: One wonders how and where that 40% excise tax will fit in once that becomes effective by 2018?]

Call Your Senator and Say NO to ObamaCare SB 1629

OK Senate Switch board: 1-800-865-6490, or 1-405-524-0126

Republican Senators who voted Yes in Committee for SB 1629 on 2/27/12:

Senator Brian Bingman:	1-405-521-5528	Email: bingman@oksenate.gov
Senator Gary Stanislawski:	1-405-521-5624	Email: Stanislawski@oksenate.gov
Senator Rick Brinkley:	1-405-521-5602	Email: Brinkley@oksenate.gov
Senator Brian Crain:	1-405-521-5620	Email: crain@oksenate.gov
Senator Rob Johnson:	1-405-521-5592	Email: johnsonr@oksenate.gov
Senator Dan Newberry:	1-405-521-5600	Email: newberry@oksenate.gov

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Senator Steve Russell:

1-405-521-5618

Email: Russell@oksenate.gov