



## NEWS RELEASE

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### **NEW COMMONWEALTH FUND STATE-BY-STATE ANALYSIS: MOST STATES TAKING ACTION TO IMPLEMENT AFFORDABLE CARE ACT'S INSURANCE REFORMS; APPROACHES VARY WIDELY**

*Only Five States—Alabama, Missouri, Oklahoma, Texas, and Wyoming—Fully Declined to Play a Role in Implementing the Law's Major Components, Raising Questions About How Their Residents Will Experience Health Reform*

New York, NY, January 31, 2014— States have taken substantially varying actions to implement and enforce the Affordable Care Act's three major components designed to expand health insurance coverage and protect consumers—health insurance market reforms, health insurance marketplaces, and Medicaid expansion—according to a new Commonwealth Fund report. However, most states have prepared for the law to at least some extent. The 10 states that have done the most to implement the health reform law's major components—California, Colorado, Connecticut, Hawaii, Maryland, Massachusetts, Minnesota, New York, Oregon, and Vermont—have set up their own insurance marketplaces, expanded Medicaid coverage, and enacted all, or nearly all, of the insurance market reforms to ensure that consumers benefit from the law.

In the study, *Implementing the Affordable Care Act: The State of the States*, Katie Keith and Kevin Lucia of the Georgetown University Health Policy Institute's Center on Health Insurance Reforms find that a majority of states (32, plus D.C.) took new legislative or regulatory action to implement at least one of the Affordable Care Act's health insurance market reforms, such as a ban on preexisting condition exclusions and coverage of a minimum set of essential health benefits. In addition, 26 states are expanding Medicaid, and 16 have set up their own marketplaces; the District of Columbia has done both. In states that have opted not to set up their own marketplaces or ensure that the law's health insurance market reforms are enforced, the federal government is taking on those functions.

According to the report, a state's response to one piece of the law is not necessarily related to how it is managing the law's other parts. For example, Maine, South Dakota, and Virginia are leaders in implementing health insurance market reforms, despite opting for federally run insurance marketplaces and choosing not to expand Medicaid. And Arizona, New Jersey, and West Virginia expanded their Medicaid programs but didn't establish their own marketplaces or take action on all of the insurance market reforms.

“It’s very encouraging that nearly all states have taken some steps toward implementing or enforcing the Affordable Care Act. Already we can see the positive impact of their efforts as millions of people are gaining health insurance coverage through expanded Medicaid and the health insurance marketplaces,” said Commonwealth Fund Vice President for Health Insurance Sara Collins. “However, it is concerning that some states have taken only limited action, or none at all, since their low-income and uninsured residents in particular may not be able to fully benefit from the law.”

Only five states—Alabama, Missouri, Oklahoma, Texas, and Wyoming—have declined to play any role in implementing the law’s reforms. This means they are not enforcing the health insurance market reforms; they have a federally facilitated marketplace in which the state plays no formal role; and they have declined to expand their Medicaid programs, potentially leaving millions of low-income adults without health insurance coverage.

“The Affordable Care Act was designed to ensure that all Americans have access to affordable, comprehensive health insurance that provides people with meaningful financial protection and security,” said Commonwealth Fund President David Blumenthal, M.D. “State actions will play an important role in determining whether the law achieves its goals.”

### **Enforcing the Affordable Care Act at the State Level**

A majority of states will take responsibility for enforcing or encouraging compliance with the Affordable Care Act’s health insurance market reforms. The report finds that 17 states passed new legislation explicitly requiring or allowing state regulators to enforce or issue regulations regarding some or all of the law’s market reforms. An additional 25 states and the District of Columbia will directly enforce the reforms using their existing legal authority or because the state addressed some or all of the market reforms. Three states— Florida, Louisiana, and Montana—adopted a collaborative approach where state regulators will monitor for compliance and federal regulators will step in for enforcement. In Alabama, Missouri, Oklahoma, Texas, and Wyoming, federal regulators are responsible for enforcing the Affordable Care Act.

The report also finds that states took action beyond the requirements of the Affordable Care Act. States, for example, repealed pre-Affordable Care Act protections, closed high risk pools, and enhanced (or diminished) their authority to review rates. The effect of these changes remains unclear, but such decisions have considerable implications for each state’s insurance market and additional study is likely needed.

### **Moving Forward**

According to the Commonwealth Fund report, it remains uncertain what states’ varying approaches to implementation means for consumers. Among the unanswered questions are where

consumers in each state will turn if they have problems or questions about their coverage, and what happens if states make changes that promote or undermine Affordable Care Act reforms. In states not expanding Medicaid, there are questions concerning whether policymakers will adopt other ways to provide health insurance for low-income people, or whether these individuals will be left without access to affordable coverage.

Authors Lucia and Keith conclude that “the answers to these questions are likely to vary by state and suggest a continued need for ongoing, holistic analysis of state insurance markets.” With so much at stake, they say, “ongoing analysis will be critical to ensuring that consumers benefit from the new protections regardless of the state they are in.”

**The Commonwealth Fund is a private foundation supporting independent research on health policy reform and a high performance health system.**