

Obama Races to Health Care Overhaul Finish Line

Its place assured alongside Medicare and Medicaid, President Barack Obama's health care law is now in a sprint to the finish line, with just 11 months to go before millions of uninsured people can start signing up for coverage.

But there are hurdles in the way.

Republican governors, opposed to what they deride as "Obamacare," will have to decide whether they somehow can join the team. And the administration could stumble under the sheer strain of carrying out the complex legislation, or get tripped up in budget talks with Congress.

"The clarity brought about by the election is critical," said Andrew Hyman of the nonpartisan Robert Wood Johnson Foundation. "We are still going to be struggling through the politics, and there are important policy hurdles and logistical challenges. But we are on a very positive trajectory." Hyman oversees efforts to help states carry out the law.

In the two years since passage of the **Affordable Care Act**, the Obama administration has been consumed with planning and playing political defense. Now it has to quickly turn to execution.

States must notify Washington a week from Friday whether they will be setting up new health insurance markets, called exchanges, in which millions of households as well as small businesses will shop for private coverage. The Health and Human Services Department will run the exchanges in states that aren't ready or willing.

Open enrollment for exchange plans is scheduled to start Oct.

1, 2013, and coverage will be effective Jan. 1, 2014.

In all, more than 30 million uninsured people are expected to gain coverage under the law. About half will get private insurance through the exchanges, with most receiving government help to pay premiums.

The rest, mainly low-income adults without children at home, will be covered through an expansion of Medicaid. While the federal government will pay virtually all the additional Medicaid costs, the Supreme Court gave states the leeway to opt out of the expansion. That gives states more leverage but also adds to the uncertainty over how the law will be carried out.

A steadying force within the administration is likely to be HHS Secretary Kathleen Sebelius. The former Kansas governor has said she wants to stay in her job until the law is fully enacted. "I can't imagine walking out the door in the middle of that," she told The Kansas City Star during the Democratic convention. Her office declined to comment Wednesday.

Republicans will be leading more than half the states, so governors are going to be her main counterparts.

Some, like Rick Perry of Texas and Rick Scott of Florida, have drawn a line against helping carry out Obama's law. In other states, voters have endorsed a hard stance. Missouri voters passed a ballot measure Tuesday that would prohibit establishment of a health insurance exchange unless the Legislature approves. State-level challenges to the federal law will continue to be filed in court.

But other GOP governors have been on the fence, awaiting the outcome of the election. All eyes will be on pragmatists like Chris Christie of New Jersey and Bob McDonnell of Virginia, whose states have done considerable planning of their own to set up exchanges.

“Republican governors are at the center of the health care universe right now,” said Michael Ramlet, health policy director at the American Action Forum, a center-right think tank. “They do not have a uniform position across the board.”

GOP governors are pressing Sebelius on whether the administration will approve partial, less costly Medicaid expansions. There has been no ruling yet.

On health insurance exchanges, some governors whose states aren't likely to be completely ready are considering the administration's offer of running the new markets through a partnership.

“The real question for Republican governors is, ‘Are you going to let the feds come into your state?’” Ramlet said. “The question for the Obama administration is whether they are going to have more flexibility.”

Major regulations due shortly and covering issues including exchange operations, benefits and protections for people with pre-existing health problems could signal the administration's willingness to compromise.

A recent check by The Associated Press found 16 states and the District of Columbia on track to setting up their own exchanges, while nine have decided they will not do so. The federal government could end up running the new markets in half or more of the states.

As far as Medicaid, 11 states and the District of Columbia have indicated they will expand their programs, while six have said they will not. That leaves more than 30 states undecided.

On Capitol Hill, Republicans say if a budget deal is going to include tax increases, it must also come with cuts to the health care law, or money-saving delays in its implementation.

While major changes can't be ruled out, they don't seem very

likely to former Senate Majority Leader Tom Daschle, D-S.D., who is close to the administration.

“I think Democrats are increasingly emboldened about the health care act,” Daschle said. “The president won re-election partly by defending it. There is a new dynamic around the health care effort.”

Republican attempts to amend the law will continue, he added, but outright repeal is no longer a possibility. “Budgetary issues will continue to be a big question mark,” said Daschle.

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