



DEBT CONCERNS

JAMES SWANSON, CFA, MFS' CHIEF INVESTMENT STRATEGIST



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Health Exchange Dismissed

Christie Vetoes an Element of Obama's Medical-Insurance Overhaul, Wading Into National Debate

By HEATHER HADDON

New Jersey Gov. Chris Christie on Thursday vetoed a bill to create a medical-insurance exchange, rejecting a key element of President Barack Obama's health-care overhaul but leaving the door open if the federal law survives court challenges.

With the 11th-hour veto, Mr. Christie, a Republican, waded into a polarized debate over the implementation of the national health-care law signed by the president in 2010. Mr. Christie has been a vigorous surrogate for Mitt Romney, the presumptive Republican presidential nominee who has pledged to repeal the health-care law if he is elected.

Health-insurance exchanges must be launched in all 50 states to comply with the federal Affordable Care Act. In states that don't set up an exchange, the federal government will create one for them.

Exchanges are essentially online marketplaces of health plans where consumers can compare prices and obtain information.

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Mr. Christie's veto wasn't the vociferous rebuke of the federal law that other Republican governors have given. New Jersey isn't one of the 23 states challenging the law in the U.S. Supreme Court, and Mr. Christie waited until the final day possible to reject the

exchange. He left daylight for its supporters in his veto message, saying he may reconsider if the Supreme Court doesn't reject the federal law.

"I intend to fully oversee New Jersey's compliance in a responsible and cost-effective manner should its constitutionality ultimately be upheld," he said.

Opponents of the national health-insurance overhaul were pleased with the veto but said they were concerned the governor might still approve an exchange down the road.

"We have our work cut out for us over this. It's kind of concerning," said Steve Lonegan, who lost to Mr. Christie in the 2009 Republican primary and now is state director for the Americans for Prosperity, a national conservative group.

In response to the veto, a spokeswoman for the U.S. Department of Health and Human Services said the Obama administration looked forward to working with states "to ensure more Americans have access to high-quality, affordable health insurance." Mr. Romney's campaign didn't respond to a request for comment.

The veto and the message he delivered with it underscored Mr. Christie's ability to portray himself as a political moderate, even while entering one of the nation's most contentious public fights, said Patrick Murray, director of the Monmouth University Polling Institute.

"He is a pragmatic politician," he said. "That appeals to independent voters. That's his value to Romney."

Mr. Christie is the second governor to veto a state insurance exchange, joining fellow Republican Gov. Susana Martinez of New Mexico. Other Republican governors have simply refused to set up the exchanges.

Mr. Christie's veto stands in contrast to a neighboring governor, Andrew Cuomo of New York, a Democrat who in April used an executive order to create an exchange after the Legislature decided against passing a bill on it. Fourteen states have set up exchanges.

"Some states clearly are not going to pass them. Other states have. It's all over the map at this point," said John Jacobi, a professor specializing in health policy at Seton Hall University School of Law.

As late as in April, Mr. Christie had left his views on the health exchange murky, saying only that he wanted to spend as little money possible on it until the nation's highest court ruled.

Mr. Christie faced intense lobbying from both sides of the issue during the week. Mr. Lonegan said his group called Mr. Christie's office thousands of times during the week. Supporters—including consumers, advocates and Democrats—held a news conference on the Statehouse steps Wednesday.

Democrats were critical on Thursday. "The governor has sent a clear message to the 1.3 million uninsured New Jerseyans....He doesn't care," said Assemblyman Herb Conaway, the bill's lead sponsor.

There were no discussions of a veto override Thursday, though it remains a possibility for any piece of legislation vetoed by the governor, said Tom Hester Jr., a spokesman for the Assembly Democrats.

In his veto, Mr. Christie said he was concerned about creating a new "Medicaid-like program" for individuals above the poverty level without assurances of federal funding. He also expressed doubts about New Jersey's process of certifying participants in the plan, as they could limit the pool of insurance providers and increase costs.

Mr. Christie also expressed concerns about the exchange's board. Members were to be paid \$50,000 and would be limited to those not directly involved in the healthcare industry.

Mr. Jacobi said that the issues raised by Mr. Christie would be surmountable if he decided to move forward after the court ruling.

"It's really reasoned and not drawing lines in the sand," said Mr. Jacobi, referring to the governor's veto. "There are obvious grounds for compromise."

Write to Heather Haddon at heather.haddon@wsj.com

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