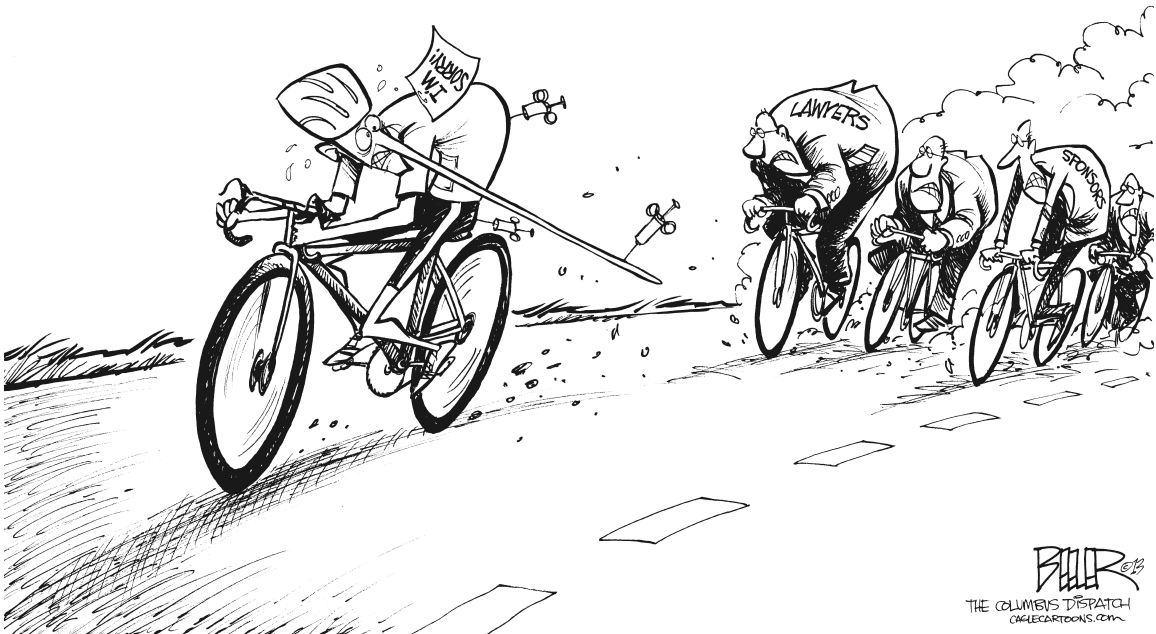


TOUR de LANCE



Pierre Report

Mulling Exchange Options

BY STATE SEN. JEAN HUNHOFF  
R-District 18 (Yankton)

Activity in the Senate Health and Human Services Committee consisted of department presentations and updates.

The lieutenant governor and Eric Matt of the governor's office provided an update of the federally mandated Insurance Exchange. The governor had decided that the state would not run the insurance exchange but rather have the federal government operate it. The exchange is a one-stop shopping website where consumers can search and compare insurance plans. Tax credits to purchase insurance will be provided for those between 100-400 percent of the Federal Poverty Limit, which is \$23,050 to \$92,200 for a family of 4. Individuals must use the exchange to get tax credits. They cannot have insurance from another source — for instance, an employer.

The federal requirements for the exchange include:

- only qualified health plans may be sold on the exchange. These are plans that offer coverage in 10 separate categories.
- The entity in charge of plan management on the exchange must certify that plans meet minimum standards in order to be sold.
- Everyone that applies for coverage through the exchange must be screened for Medicaid eligibility.

The Mandate requires health insurance exchanges to be set up in every state by 2014. Exchanges must be operational by October 2013 for open enrollment. That is the date when people can start enrolling in coverage for 2014.

There are five "Core" functions that exchanges must provide:

1. Consumer Assistance — Education and outreach to assist the consumer in selecting a produce.
2. Plan Management — This is insurance regulation for the exchange. This includes issuer outreach and training, plan selection, plan certification, quality rating, issuer monitoring and oversight.
3. Eligibility — Verify information, collect applications, tax credit and Medicaid



J. Hunhoff

4. Enrollment — Enrollment in health plans, payment;
  5. Financial Management — user fees, financial integrity, support risk adjustment, risk corridors, and reinsurance.
- There are options that the state can elect to participate in from running the exchange to assuming some of the core functions.

The governor's decision not to operate the exchange was based on the expenses necessary to operate it. The projected expense which is ongoing is \$6.3 million to \$7.7 million per year, which equated to \$2-\$3 per member per month. Exchanges must be self-sustaining by fees or taxes by 2015.

The timelines are too short and there is too much uncertainty. Therefore the federal government will be responsible for setting up a federal exchange in South Dakota by 2014.

South Dakota will continue to regulate insurance. Plan management is the regulation of insurance on the exchange. Certifying plans for sale on the exchange and ensuring plans meet licensing and regulatory are in the plan management.

The governor's number one goal is to protect our insurance markets from Federal regulation. Maximum state control of insurance means a healthier marketplace. South Dakota is negotiating with the federal government to do plan management on the federal exchange

The Feds' exchange mandate requires that when an individual applies for coverage on an exchange, they are assessed for Medicaid eligibility. As a result, South Dakota's Medicaid eligibility system must be configured to communicate with the exchange. Our current eligibility system is antiquated so must work to develop or procure a patch that will connect it to the federal exchange. Currently the state is using federal grant dollars to develop a connection system with the federal exchange.

There is still much uncertainty how this will all fall into place, so we continue to stay tuned for more change.

Pierre Report

From The House To The Senate

BY STATE SENATOR TOM JONES  
District 17 (Viborg)

After a summer of campaigning, I have moved from the House of Representatives to the Senate side of our Legislature.

I have been assigned to the Senate Appropriations Committee this term. This committee meets every day of the session, usually starting at 7 a.m. or 7:15 a.m. and meets until our party's caucus at noon. Then after session is finished in the afternoon, we reassemble until we are finished with the day's work. The reason for the daily meetings is the Appropriations Committee recommends to the Legislature how our revenue should be spent. The state's entire budget is approximately \$4.1 billion, and \$1.3 billion is from the General Fund. These are the monies that we, as appropriators, deal with. Approximately \$1.8 billion is from the federal government and \$1 billion is from "other" funds. As you can see, the federal government is critical to our state for financial assistance. "Other" funds include licenses, fees and special taxes such as the gasoline tax.

On day one, we listened to our governor's State of the State address. Gov. Daugaard started his message with things that we, as a governing group, have done well this past year:

- We are combating the pine beetle in the Black Hills and will continue to do so. This will probably take several years to win.
- A big majority approved the new way that we can take monies from the cement plant fund. If we would have continued as we have been doing, the fund would soon be depleted. This is because of the extremely low interest rates that we currently have; and the interest from investments will not replace the set dollar amount originally mandated by law.
- Government transparency and less regulation is getting much better, especially the transparency part.

There is an interest in a new veteran's home in addition to the one in Hot Springs. This new one would be located in the eastern part of our state, with several communities vying for its location.

Our governor, along with many of us in the Legislature, has concerns about the state's Contractor's Excise Tax. Many of us would like to get rid of this tax, but with what or how do we replace the lost revenue from this tax? This tax raises about \$90 million each year, which is deposited into our General Fund, which is where education and health care are funded. Our "economic pie" isn't a large as many would like it to be. Everyone wants a piece of it and in most cases, wants a



Jones

larger piece. Just a thought to ponder: Should we start to rethink how our state generates its operating income?

The governor spoke in length about prison and prison reform. This appears to be his main goal for this year. We have expanded our new drug courts, which are showing a great deal of success. The HOPE program is also successful. It deals with drug testing on repeat offenders and increased supervision on 80 percent of prisoners who are guilty of non-violent crimes. All of this will be less expensive and better than spending \$225 million over the next 10 years building and operating two new (additional) prisons.

On the other side of the page, very little, if any, time was spent talking about education funding, health care funding and economic development. The past two years, these were almost all we talked about.

Gov. Daugaard also would like to establish a new state park, expand the Mickelson Trail, and construct a new visitor's center in Custer State Park. Since we have a limited amount of income that our state generates and we constantly need to prioritize where our income should be distributed, perhaps we still need to properly fund education and health care first.

In the November election, we passed a law demanding we have a balanced budget. To me, that sword cuts two ways: Not only must we not spend more than we take in, but the other side means that we cannot carry over excess monies that surpass our expenses. This Legislature should either return the excess to the taxpayers or use the monies in a way that improves our way of life in South Dakota. This year is not a year to "squirrel" away extra monies we received because of a gross under-estimation of our income and over-estimation of our expenses. To me, this would be an excellent time to help our children and our senior citizens.

The Game, Fish and Parks Department was the first department to present their budget to our Appropriations Committee. Their portion of the General Fund is .3 percent, or \$4.3 million. They explained that most of their monies come from license fees and camping fees. We also listened to our Department of Health's presentation. The Health Department uses .4 percent, or \$7.1 million of General Fund monies.

If you would like to contact me, please feel free to email me at: sen.jones@state.sd.us. I will appreciate it if you remember to use your name and where you reside.

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OPINION | OUR VIEW

School Budget: What's Looming

At this juncture, at least, it appears the Yankton school board has no real appetite to place another opt-out before the voters. This was made clear Monday night when a motion for a one-year, \$1.8 million property tax opt-out was put on the table, but failed to garner even a seconding motion.

It's a lesson learned, you might conclude. And you'd probably be right.

Nevertheless, it makes the road ahead no less contentious. The motion was made Monday night by school board member Jay Williams, who declared in a "Point of View" column published in the *Press & Dakotan* last week that he intended to propose the idea. He did this while pointing out that the Yankton School District is still in financial distress and is looking at some crippling cuts if more revenue can't be found.

One can understand why Williams' motion died Monday. The school board and the Yankton School District have traveled down that road twice before in the last 22 months and have been clubbed over the head both times in public votes. The board members had no real desire to potentially face that kind of bludgeoning again.

Unfortunately, the problems that prompted Williams to propose the opt-out haven't gone away. The district has already made cuts, and it shows. But deeper cuts will be needed, and this is when the scalpels will cut into the bones of the district.

Eliminating middle school and/or varsity activities? Perhaps. Closing an elementary school? It's on the table. Dropping bus service? It's a possibility. Increasing the student-teacher ratio, which may well impact student classroom performance? Maybe.

The budget discussion that was originally scheduled for this week's meeting was pushed back a month to allow for contract negotiations to take place and to get a better handle on what the Legislature might do.

On that latter point, since Gov. Daugaard barely even mentioned education in his State of the State address last week, it's likely there won't be a concerted effort in Pierre to restore the money that has been amputated from the public schools the last few years.

So Yankton will wait a month to see how things are shaping up. But at some point, it's going to be zero hour and some truly painful decisions will have to be made by the school board.

We understand why the board steered clear of Williams' opt-out proposal Monday night. Based on recent history, it makes sense.

But we also understand why Williams made the proposal. He knows what these cuts would do to the school district and, as a direct result, the community. Make no mistake, undercutting a community's educational foundation is a self-defeating, self-crippling move that does not go over well with people looking for a place to raise their kids. Thus, this is a matter of economic development, too.

Next month's school board meeting could well be a telling moment for the direction of public education in this community and for Yankton's future in general.

kmh

THE VIEWS PAGE

The **PRESS & DAKOTAN** Views page provides a forum for open discussion of issues and interests affecting our readers. Initialed editorials represent the opinion of the writer, but not necessarily that of the **PRESS & DAKOTAN**. Bylined columns represent the view of the author. We welcome letters to the editor on current topics. Questions regarding the Views page should be directed to Kelly Hertz at [views@yankton.net](mailto:views@yankton.net).

TODAY IN HISTORY

**By The Associated Press**  
Today is Wednesday, Jan. 16, the 16th day of 2013. There are 349 days left in the year.

**Today's Highlight in History:** On Jan. 16, 2003, the space shuttle Columbia blasted off under extremely tight security for what turned out to be its last flight; on board was Israel's first astronaut, Ilan Ramon. (The mission ended in tragedy on Feb. 1, when the shuttle broke up during its return descent, killing all seven crew members.)

**On this date:** In 1547, Ivan IV of Russia (popularly known as "Ivan the Terrible") was crowned Czar.

In 1883, the U.S. Civil Service Commission was established.

In 1912, a day before reaching the South Pole, British explorer Robert Scott and his expedition found evidence that Roald Amundsen of Norway and his team had gotten there ahead of them.

In 1920, Prohibition began in the United States as the 18th Amendment to the U.S. Constitution took effect, one year to the day after its ratification. (It was later repealed by the 21st Amendment.)

In 1935, fugitive gangster Fred Barker and his mother, Kate "Ma" Barker, were killed in a shootout with the FBI at Lake Weir, Fla.

In 1942, actress Carole Lombard, 33, her mother Elizabeth and 20 other people were killed when their plane crashed near Las Vegas, Nev., while en route to California from a war-bond promotion tour.

In 1944, Gen. Dwight D. Eisenhower took command of the Allied Expeditionary Forces in London.

In 1969, two manned Soviet Soyuz spaceships became the first vehicles to dock in space and transfer personnel.

In 1978, NASA named 35 candidates to fly on the space shuttle, including Sally K. Ride, who became America's first woman in space, and Guion S. Bluford Jr., who became America's first black astronaut in space.

In 1987, Hu Yaobang resigned as head of China's Communist Party, declaring he'd made mistakes in dealing with student turmoil and intellectual challenges to the system. Broadway columnist Earl Wilson died in Yonkers, N.Y., at age 79.

In 1991, the White House announced the start of Operation Desert Storm to drive Iraqi forces out of Kuwait.

In 2007, Sen. Barack Obama, D-Ill., launched his successful bid for the White House.

**Ten years ago:** AOL Time Warner chief executive Dick Parsons was tapped to be the media conglomerate's new chairman, succeeding Steve Case.

**Five years ago:** President George W. Bush closed out his Mideast trip with a brief visit to Egypt, where he was welcomed by President Hosni Mubarak. Archbishop Earl Paulk, the 80-year-old leader of a megachurch, pleaded guilty in Atlanta to lying under oath about his sexual affairs and was sentenced to 10 years' probation. (Paulk died in March 2009.)

**One year ago:** Republican presidential front-runner Mitt Romney fended off attacks from rivals during a debate in Myrtle Beach, S.C.; hours before the debate, former Utah Gov. Jon Huntsman withdrew from the race and announced his support for Romney despite their differences. Jimmy Castor, funk and soul saxophonist, singer and songwriter whose tune, "It's Just Begun," morphed into an anthem for generations of musical acts, died in Las Vegas at age 71.

**Today's Birthdays:** Author William Kennedy is 85. Author-editor Norman Podhoretz is 83. Opera singer Marilyn Horne is 79. Hall of Fame auto racer A.J. Foyt is 78. Singer Barbara Lynn is 71. Country singer Ronnie Milsap is 45. Actor Richard T. Jones is 41. Actress Josie Davis is 40. Model Kate Moss is 39. Rock musician Nick Valensi (The Strokes) is 32. Actress Yvonne Zima is 24.

**Thought for Today:** "There are three ingredients to the good life: learning, earning, and yearning." — Christopher Morley, American journalist (1890-1957).

FROM THE BIBLE

[Jesus] began to say to them, "Today this Scripture has been fulfilled in your hearing." Luke 4:21 Portals of Prayer, Concordia Publishing House, St. Louis

YOUR LETTERS

Many Thanks

**Bob Bender, Yankton**  
*MOC Seam Squirrel, VFW Post 791*  
Big Aggie Pup Tent No. 12 wants to thank everybody who donated prizes for the Wagon of Cheer on

New Year's Day 2013; and all who purchased tickets for the raffle. The winner is Jackie Simonsen, Yankton.

The hospitalized veterans appreciate this. "Keep them smiling in beds of white."

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