

Defining Federalism

Federalism

Constitutional arrangement whereby power is distributed between a central government and subdivisional governments (eg., states). The national and the subdivisional governments both exercise direct authority over individuals.

Versions of Federalism

Dual Federalism

Views the constitution as giving a limited list of powers to the national government, leaving the rest to sovereign states

Cooperative Federalism

Federalism as a cooperative system of intergovernmental relations in delivering goods and services to the people

Marble Cake Federalism

“As the colors are mixed in a marble cake, so functions are mixed in the American federal system”

Competitive Federalism

Views the levels of government as being in competition to provide packages of services and taxes

Versions of Federalism

Permissive Federalism

Powers are shared, but state power rests upon the permission and permissiveness of the national government

“New Federalism”

Presumes that the power of the federal government is limited in favor of the broad powers reserved to the states

Why American Federalism?

- Supporting Arguments
 - Direct Access
 - Brings government closer to the people by providing direct access.
 - Keeps national government from being focus of political dissatisfaction.
 - Separating power is efficient
 - Big countries can only do so much. Impractical to locate all political authority in one place.
 - States can be used as laboratories.



Why American Federalism?

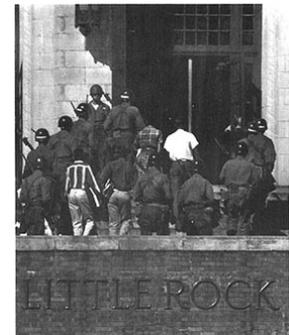


- Opposing Arguments
 - Separation of powers is inefficient
 - Waste and duplication.

– Federalism breeds inequality through different state standards.

– Powerful state and local interests can block progress and impede national demands.

- Example: blocking civil rights legislation in the 1950s and '60s.



Hawaii's Plan

- Act of 1974
 - Nearly all employers must provide health insurance to employees working 20 or more hours
 - Employers pay full cost of premium or share
 - Sharing means employee's share is not more than 1.5%
 - Pre-law, uninsured in Hawaii more than 30%
- Dropped to 5% with law
- Has climbed to 10%
 - once benefits are entrenched, taking them away becomes almost impossible. There have not been any serious efforts in Hawaii to repeal the law
 - although cheating by employers may be on the rise

Hawaiian Results

- 2nd lowest health care costs in US
- Longer life expectancy
- Attributed to health care
- Hawaii has nation's highest rate of breast cancer but lowest death rate from it
- “With nearly 90 percent of the populace given relatively generous benefits, patients stay healthy and health providers have the money and motivation to innovate.”
(NYT, 16.10.09)

Lower use of ER

- **“Dr. Ray Sebastian splits his time between the emergency room at Kapi’olani Medical Center at Pali Momi and a hospital in Los Angeles. Nearly all of his poorest patients in Hawaii have routine access to family doctors who can provide follow-up care, while fewer than half of those in Los Angeles do, he estimated. So, he said, the emergency room in Hawaii is not clogged with patients suffering minor problems like medication adjustments and cold symptoms, and patient waiting times are a small fraction of those in Los Angeles”(NYT16.10.09)**

Interests and Isolation

- Other states tried employer-mandated care but repealed the efforts when employers threatened to move across state lines.
- Hawaii could make it work because of its isolation

Massachusetts

- All residents required to buy health insurance OR pay penalty
- Subsidies to those in need – from free to \$250/month
- Companies must provide insurance if over 12 workers or pay fine of \$295 per worker

Results

- Reduced uninsurance
- Many firms cancelled health coverage
- Fee much lower than premiums
- Allowed Governor Romney (R) to present himself as having a plan for health care in Presidential campaign, 2008
- Later, Republicans did not support similar efforts in Obama plan