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# Look Who's For A Federal Takeover Of Health Care Now

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By [GoozNews](#)

The libertarian Cato Institute's Michael Cannon is calling for a federal takeover of state efforts to implement health care reform. Of course, that's not exactly what he said in the latest National Review ([republished here](#)). Rather, he calls for states to refuse federal grants to implement the state exchanges that will offer insurance policies starting in 2015.

I like Mr. Cannon, whom I've interviewed several times. He has a sophisticated and largely accurate understanding of how our health care system works. So I won't waste your time debunking the hyperbole he uses to claim that reform will reduce your income (like today's escalating premiums aren't?) and harm your health (like the current 100,000 deaths a year from unnecessary hospital errors is the gold standard?). That's just red meat rhetoric for the William F. Buckley crowd. Rather, I'll simply reprint the following passage, which expresses his deepest fear about what will happen when reform goes into effect:

Tens of millions of Americans will begin to receive thousands of dollars each in government subsidies, whether through an expanded Medicaid program or Obamacare's new health insurance "exchanges." Medicare's chief actuary predicts that these state-based exchanges will slowly crowd out other private coverage (such as through employers) until "essentially all" Americans get their health insurance through them. Just as important, whatever private insurance companies are still standing in 2014 will begin enrolling tens of millions of customers through the same channels. With boots on the ground and deep pockets, these two constituencies will quash any effort to eliminate their new subsidies. Public opinion may even turn in favor of the law — not because Obamacare works, but because tens of millions of people will be dependent on it for their health insurance.

By encouraging what vaguely sounds like civil disobedience on the part of the states, though, Cannon defeats his own purpose of undermining the exchanges. According to Section 1321 of the Affordable Care Act (my thanks to Washington and Lee University Professor Tim Jost for directing me to the proper section), if a state fails to have an operational exchange by January 1, 2014 (a year before the policies sold on those exchanges go into effect), the Secretary of the U.S. Health and Human Services Department:

. . . shall (directly or through agreement with a not-for-profit entity) establish and operate such Exchange within the State and the Secretary shall take such actions as are necessary to implement such other requirements.

So there you have it. The libertarian Cato Institute is calling for a federal takeover of health care. Who'd a thunk it.

