

Tea party racks up wins on blocking health reform

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Despite their best efforts, tea party activists could not stop Congress from passing health reform last year.

Now, they're finding surprising success doing the next best thing: blocking the law's implementation.

In South Carolina, tea party activists have been picking off Republican co-sponsors of a health exchange bill, getting even the committee chairman who would oversee the bill to turn against it.

A Montana legislator who ran on a tea party platform has successfully blocked multiple health exchange bills, persuading his colleagues to instead move forward with legislation that would specifically bar the state from setting up a marketplace.

And in Georgia, tea party protests forced Gov. Nathan Deal to shelve exchange legislation that the Legislature had worked on for months.

The moves have buoyed some health reform opponents, who contend that states cannot both challenge the law while laying its foundation.

Moreover, the protests underscore a widening rift within the Republican party, between those who say states should implement the law, retaining more power as it moves forward, and others who favor completely opting out of a law they believe to be unconstitutional. Critics say that strategy runs the risk of turning control over to the feds.

Battles have centered on health reform's exchanges, the new insurance marketplaces that must come online by 2014. If states do not have the framework in place for an exchange by 2013, Health and Human Services will come into the state and do the jobs themselves.

"I have seen an uptick in resistance to creating Obamacare exchanges at the state level and that's heartening," says Michael Cannon, director of health policy studies for the Cato Institute. "There remains this inherent contradiction where you have governors saying they think Obamacare is unconstitutional but also trying to implement the law. One thing these tea party groups are doing is highlighting that."

The tea party's success has frustrated state regulators of both parties, who are now looking to their own executive powers and the Obama administration for ways to move forward without legislative approval.

"They've basically handed off the health exchange to the federal government," Montana Insurance Commissioner Monica Lindeen, a Democrat, says of the tea party legislators who have blocked two consecutive exchange bills that she supported.

Montana state Sen. Jason Priest, a Republican who ran on a tea party platform, has emerged as Lindeen's main opponent. He's introduced legislation both to compel Lindeen to send a health exchange grant back to Washington and to force Democratic Attorney General Steve Bullock to join a health reform lawsuit.

"One of the things we keep coming back to is that the idea of a Montana-made exchange is complete fiction," Priest told POLITICO. "You're implementing a federal mandate, with federal specifications that the federal government will certify. There's nothing Montana-made about it."

Lindeen met Monday with Health and Human Services to discuss whether they could skirt the Legislature and set up a health exchange without legislation. "We're looking at what other options are, whether we could do this without legislation," she says.

The tea party activism has pitted Republican against Republican in Georgia, where the Georgia Tea Party Patriots scuttled Gov. Nathan Deal's attempt to set up a health exchange. When exchange legislation hit his desk earlier this month, tea party activists logged hundreds of thousands of calls to Deal and local legislators in opposition.

"We took them off-guard," says Debbie Dooley, a coordinator with the Georgia Tea Party Patriots. "Some of the Republican leadership in our state House was pushing this bill and our rallying cry was 'kill the bill.'"

When Dooley was in a state legislator's office recently, she watched "the receptionist answering phone call after phone call of people saying, 'vote no on this.'"

Now, Georgia insurance commissioner Ralph Hudgens - an elected Republican - expects Deal to use an executive order to maneuver around the Legislature and move forward on the state's exchange.

"Pulling that bill off the calendar and not being able to move forward is kind of like the ostrich sticking its head in the sand and saying it's not a problem," Hudgens says. "But it is a problem. We need to be prepared to implement a state solution."

But don't expect tea party groups to back off any time soon. Just this week, the South Carolina tea party groups launched an aggressive campaign to shelve a health exchange bill that was about to begin winding its way up through committees. They've so far picked off three of the bill's 13 Republican co-sponsors, including state Rep. Daniel

Cooper, who, as Ways and Means Committee chairman, has oversight over the bill.

"No matter what you set up, the rules are written in Washington," says Karen Martin of the Spartanburg Tea Party Patriots, who has lobbied legislators away from South Carolina's exchange bill. "The federal government has plopped down a heavy anchor in our state ship, which will eventually crack. It's a political theater to pretend that we have control over this."