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## Vitter, others, debate what happens if Supreme Court invalidates Obamacare subsidies in Louisiana

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What will happen if the [Supreme Court](#) decides that residents in 34 states -- such as Louisiana -- that didn't set up their own [Affordable Care Act](#) marketplaces can't continue to get subsidies drew sharply different answers Wednesday (April 29) from supporters and opponents of the law.

The forum for the "debate" was a hearing by the Senate Small Business and Entrepreneurship Committee, and the panel's chairman, Sen. [David Vitter](#), R-La., left no doubt about his view. A ruling in favor of those challenging the subsidies in the 34 states, Vitter said, could lead to creation of a "more consumer-driven" system, which fosters "competition among health care providers that will improve quality and lower costs."

But Linda Blumberg, senior fellow at the liberal Urban Institute, said the consequences of the ruling against the Obama administration that Vitter and other opponents of the law are hoping for would be disastrous.

"The number of uninsured in these states would increase by a total of 8.2 million people in 2016," Blumberg said. Particularly hard hit, she said, would be Americans with health problems -- i.e. pre-existing conditions -- who would find their premiums skyrocket so high as to make them unaffordable.

The law provides subsidies to purchase health insurance to people with incomes ranging from one to four times the poverty level -- \$11,490 to \$45,960 for a single person and \$23,550 to \$94,200 for a family of four). Depending on their income, people are expected to pay 2 percent to 9.5 percent of their income towards the premium for the second-lowest-cost silver plan in their area, and the federal government covers the remainder through a tax credit

At issue in the current legal challenge, likely to be decided by the Supreme Court by the end of June, based on a provision in the 2010 health care law establishing subsidies for enrollees in "state-run" exchanges or marketplaces. Thirty four states, including Louisiana, declined to set up their own marketplaces, leaving it to the federal government to provide health insurance for their residents through federally run exchanges.

The plaintiffs in the case say those tax subsidies are illegal in those states because the law doesn't mention federally run subsidies in the subsidy section of the 2010 health law. But the Obama administration and other supporters of the law say the intent of Congress was clear – that subsidies were intended for all eligible enrollees who meet the income qualifications -- regardless of from state-run or federally run marketplaces.

Jeffrey Anderson, executive director of the conservative The 2017 Project, said a decision against the Obama administration would give Congress the opportunity to develop an "off ramp" to the Affordable Care Act, a replacement health law that provides tax credits both to employers providing coverage to their workers -- already provided under current law -- but also to individuals, which is not now offered.

"According to a Government Accountability Office report released on the eve of Obamacare's Implementation, tax credits in these amounts (proposed by his group) would be sufficient for healthy Americans to be able to buy insurance even if they paid no more than \$15 a month of their own money toward the plans -- except in five states, and people in those states could buy across state lines," Anderson said.

But that's a problem, said Blumberg, who noted the fix proposed by The 2017 Project and other conservative groups, would leave people with medical problems without the money to buy insurance, despite the tax credits.

Michael Cannon, director of Health Policy Studies for the libertarian Cato Institute, angered Democrats on the committee when he suggested that the Obama administration's decision to allow subsidies for plans purchased from federally run exchanges amounted to a scandal greater in scale than Watergate and that federal subsidies to members of Congress and their staffs to purchase coverage under a Washington D.C. Obamacare marketplaces amounted to bribes.

Sen. Mazie Hirono, D-Hawaii, called Cannon's testimony "astounding," and said that his and other conservative arguments that the mandate for employers with more than 50 workers to provide health care for fulltime workers is too much of a burden has been disproven in Hawaii. She said her state long before the Affordable Care was adopted required almost all businesses to provide health coverage for all employees working 20 hours or more per week, much less than the 30 hours a week mandated by the federal health law, without adverse economic consequences.

Vitter, in his remarks, said Americans would be better off if the Affordable Care Act was replaced with more marketplace-oriented reforms.

The current Supreme Court challenge, Vitter said, "is set against the backdrop of a highly controversial legislative battle over five years ago, with the final result, the Affordable Care Act, passed into law, apparently before it was thoroughly read or fully understood by many who voted for it."

"For those who did understand it and who opposed it, including a majority of Americans, Obamacare remains deeply unpopular," Vitter said.

Sen. Jeanne Shaheen, D-N.H., the top Democrat on the committee, said the law is providing affordable health care to millions of Americans, and that what Congress ought to do is improve it, particularly for small businesses, not seek its repeal.