



Closing health provider leaves Illinoisans scrambling for insurance

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49,000 Illinoisans will be looking for new healthcare insurance after an Obamacare-funded provider closes its doors.

In a statement from Director Ann Melissa Dowling, the Illinois Department of Insurance will seek court permission to oversee the liquidation of Land of Lincoln Healthcare. She says the decision to take over the troubled company comes from the federal government's decision not to pay the \$70 million that Land of Lincoln is owed under one facet of the Affordable Care Act. If given court permission, the company will still provide insurance under DOI supervision, but the thousands of members will have to find a new insurer as the department prepared for liquidation.

Cato Institute Director of Health Policy Studies Michael F. Cannon says the price controls forced on these companies by the ACA leads to poor service.

“You create an incentive for insurance companies to offer lousy coverage to the sick so that the sick people go someplace else and bring down their competitor's bottom line.”

The company sued the government in June for the \$70 million it was owed to try to stay afloat. The Illinois Department of Insurance gave the company permission to not pay a \$32 million assessment to another part of the health care program.

Cannon says infighting between Congressional Republicans and the Obama Administration is the reason for Land of Lincoln's unbalanced books.

“The Obama Administration can't give Land of Lincoln those subsidies, but it still wants the taxes that they are supposed to pay under another program,” he said.

Land of Lincoln was one of 23 startups funded with loans from the Affordable Care Act to provide more competition in the health care provider market. Cannon says that fewer than half are still in operation today.