



Democrats block Zika funding to get an Obamacare bailout

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Republicans and Democrats are squabbling over funding to combat the spread of the Zika virus. President Obama wants Congress to appropriate \$2 billion in emergency spending. Republicans have moved a bill that appropriates \$1.1 billion. Democrats object that Republicans would fund the bill partly by cutting a \$543 billion of defunct Obamacare funding whose purpose has evaporated. Why would Democrats fiercely protect a completely unnecessary appropriation? A good guess is that they hope to use it after election day to bail out the crony-capitalist insurers fleeing Obamacare's health-insurance exchanges.

An exodus of insurers from Obamacare has evidently left one in three counties, one in six enrollees, and now seven states with only one carrier in the Exchange. Tennessee's insurance commissioner says that state's exchange is "very near collapse." Other Exchanges could collapse soon.

People forget that the first place Obamacare's Exchanges collapsed wasn't in Pinal County. It was in the U.S. territories of Puerto Rico, Guam, the Northern Marianas Islands, the U.S. Virgin Islands and American Samoa.

The ACA subjected the territories to the same health-insurance regulations as the rest of the country, and appropriated \$1 billion in funding to territories that elect to set up a health-insurance Exchange. But the law exempted residents of the territories from the individual mandate, and provided much smaller premium subsidies to help them afford coverage with all those expensive regulations.

As a result, insurers refused to sell qualified health plans there, and the territorial exchanges basically collapsed in an adverse-selection death spiral before they even got off the ground. "Beginning Jan. 1, [2014], regulators expect it will be literally impossible for an individual to buy a new policy in the Northern Mariana Islands, and difficult in other

territories," **reported** Sarah Kliff for the Washington Post. The Obama administration later **re-interpreted** the ACA to **exempt** territories from the law's worst regulations.

Most important for our present purposes, each territory chose not to establish an Exchange. They instead opted, as the ACA allows, to take the premium subsidies their residents would have received in the form of additional Medicaid funding. The \$1 billion Congress appropriated for territories that establish exchanges is an appropriation without a purpose. The GOP bill would sensibly rescind \$543 billion of it to fund Zika preparedness.

Democrats are having none of it. Sen. Barbara Mikulski (D-MD) complains that Republicans would "cut ... \$543 million from the Affordable Care Act," as if exchanges in U.S. territories were still part of the Affordable Care Act.

The only reason to protect this appropriation is if Democrats figure electoral victories in November will give them leverage to throw another half-billion dollars at the private insurance companies that are fleeing Obamacare's exchanges. In effect, Democrats want to take money from dead exchanges to stop a contagion of their own making from sweeping through the rest. Barack Obama infamously **explained** that when small-town Pennsylvanians see the world changing around them, they grow bitter and cling to guns or religion. When Democrats see Obamacare failing, they grow bitter and cling to half a billion dollars of needless funding.

The Huffington Post **reports** that according to one member of Congress "who's been discussing Zika funding with leadership[,] Republicans could compromise on where some of the money for Zika comes from." If anyone deserves to cave or pay a political price for the impasse over rescinding a completely unneeded appropriation, it is Democrats who are trying to preserve it.

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