

SC Exchange Debate: Ratcheting Up

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What should South Carolina do about the so-called “state health care exchanges” mandated by U.S. President Barack Obama’s new socialized medicine law? And what should state leaders do with the [borrowed millions](#) already flowing into state government agencies as a result of the controversial new law?

It’s the worst possible debate at the worst possible time for South Carolina Republicans ... who spent most of the last election cycle decrying the evils of “Obamacare” and passing ceremonial resolutions objecting to it.

Nonetheless S.C. Gov. **Nikki Haley** – who benefited from TV ads [blasting her opponent](#) for his ostensible support of Obamacare – has signed an [executive order](#) creating the “South Carolina Health Care Exchange Planning Committee,” an entity that is funded with Obamacare dollars.

Efforts in Florida, Georgia and Louisiana to create a similar committees with Obamacare funds were rejected by Govs. Rick Scott, Nathan Deal and Bobby Jindal.

Meanwhile, legislation in the S.C. House of Representatives that would have established the exchange was sailing along with numerous “Republican” sponsors until the S.C. Tea Party [caught wind of it](#) and threatened to vote out GOP lawmakers who supported it.

In response to the Tea Party pressure, House Ways and Means Chairman Danny Cooper (RINO-Anderson) canceled a scheduled hearing on the legislation and withdrew his name as a sponsor.

That means the bill is [effectively kaput](#) ... although Democrats led by powerful Rep. Gilda Cobb-Hunter say they aren’t done pushing it. In fact, Cobb-Hunter’s forces attempted (unsuccessfully) to attach the legislation to a pro-life bill that passed the S.C. House on Tuesday.

It's uncertain why the Tea Party is targeting RINO lawmakers but giving their "conservative" governor a hall pass, but at least one of Haley's longtime allies is encouraging the governor to rethink her current position.

"The legislature and the governor may be tempted to compromise with the feds on ObamaCare's mandate to set up an 'exchange' system," the organization said in [a statement](#) issued Wednesday morning. "Utah tried it by setting up its own exchange and balancing it with market reforms. But the results have been disappointing at best."

The Policy Council linked to a September 2010 study conducted by the Pacific Research Institute which highlights the long-term dangers – and costs – of states approving these health care exchanges.

"Despite Obamacare's claims that states will enjoy 'flexibility,' the federal government will likely impose its will on exchanges, leaving states to bear high administrative costs – tens of millions of dollars annually," the report concluded. "States should avoid Obamacare exchanges and focus on defeating this harmful law."

(To read the report, [click here](#)).

The report says that Obamacare's exchanges are designed to replicate the failed Massachusetts health care model – which in addition to being an unmitigated disaster costs Bay State taxpayers \$29 million a year to operate.

Also, let's not forget that this law may never come into effect – making the exchange debate academic. In addition to the U.S. House [repealing this legislation](#), a federal judge has [ruled Obamacare unconstitutional](#) in its entirety. That means any implementation of the law (including the set-up work for these exchanges) should have stopped in its tracks months ago.

And while Obama is refusing to abide by the judge's ruling, that doesn't mean state leaders have to follow his lead.

"Louisiana, Florida, Georgia ... are telling the federal government, 'No thanks,'" the Policy Council statement continued. "So should we."

So ... will Haley heed this advice and reverse her executive order? That's doubtful. We contacted her office for a comment on the Obamacare exchange debate, but received no response.

Obviously, we oppose any move to create a government-run health care exchange in South Carolina – just as we opposed Obamacare itself. We hate this law's infringements on individual liberty, but the bottom line is that America can't afford its [exorbitant costs](#) or the [new burdens](#) it would place on the private sector.

In addition to its unconstitutional mandates estimated \$2.5 trillion price tag, a [recent report](#) issued by The Cato Institute found that Obamacare will result in massive new Medicaid expenses for cash-strapped states.

South Carolina is already reeling from the costs of socialized medicine – something Haley should be very familiar with having just approved a pair of \$100 million bailouts for the state’s Medicaid agency ([here](#) and [here](#)).

We cannot subject our state to more unsustainable government-run health care ... something we thought that South Carolina’s “Republican” leaders understood.

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