



Ohio GOP Figured Out How to Kill Obamacare. Will it Work? You be the Judge.

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The idea is simple enough. But is it really legal?

You be the judge:

A Bill working its way through the Ohio House, [HB 91] The Health Care Freedom Act, is targeting an Obamacare provision that can fine/tax citizens for failing to purchase health care insurance.

[The PPACA states that employers and/or individuals must purchase health insurance or they will be subject to tax penalties. For 2012 these can range from \$95 per person to several thousand dollars per employee for large employers. Each year, the tax for non-compliance will increase. For low income Americans, the PPACA offers subsidies and/or tax credits to offset the cost of insurance.]

According to Ohio's Health Care Freedom Act (HCFA), insurance companies also receive subsidies from the Federal Government -- and this Ohio says, makes insurance exchanges unconstitutional in Ohio. Here's their thinking:

Insurance providers, too, receive subsidies to help with the added costs associated with covering a larger amount of people at lower rates to consumers. However, the price for the insurance companies accepting the federal subsidies is a tax penalty on citizens who don't purchase insurance. As long as the insurance companies do not accept federal subsidies, consumers will not be subject to penalty taxes.

Once passed, HCFA will prohibit any health insurance company operating in Ohio from accepting any funding from the federal government that would result in potential tax penalties for employers or individuals. If a company chooses to receive federal subsidies, their license would be suspended in the state.

Further, due to the rules set up within PPACA, the subsidized insurance company would be prohibited from participating in any exchange nationwide. As explained by Michael Cannon of the Cato Institute:

... since they would no longer be licensed and in good standing with the state, they would no longer qualify under the PPACA as an issuer of "qualified health plans." The PPACA itself would therefore preclude them from writing new business or receiving subsidies through any

Exchanges for as long as the suspension remained in place. Without the (illegal) subsidies, consumers and carriers would have no reason to participate in a federal Exchange.

Here's the constitutional conflict in Ohio:

In 2011, voters in Ohio overwhelmingly supported the adding of language concerning their health care freedoms to the state Constitution. It now reads:

No federal, state, or local law or rule shall compel, directly or indirectly, any person, employer, or health care provider to participate in a health care system.

The authors of Ohio's new "Health Care Freedom Act" claim that the Bill does not conflict with the current federal law. They see it as a great step forward for Ohio's healthcare freedom.

But some Ohio political activists beg to differ:

State Reps Andy Thompson and Ron Young introduced HB 91 called the "Health Care Freedom Act" that would effectively prevent any insurance company from operating in Ohio if that company chooses to participate in Ohio's Affordable Care Act (ACA)-mandated insurance exchange.

The bill bans any insurance company from operating in Ohio if that company would get tax credits or cost-sharing reductions for insurance buyers who used the exchange because their employers didn't offer coverage.

During a press conference today, Thompson claimed the purpose of the bill is to "reinforce the freedom of all Ohioans to choose their own health care".

In reality, it LIMITS the options Ohioans have by banning insurance companies from operating in the state should they choose to participate in the health care exchange.

TO SUMMARIZE: [From the comments, below.]

1. Ohio will BAN any insurance company that attempts to participate in the Ohio Exchange from selling insurance anywhere in Ohio -- as per their Constitution.
2. That will immediately trigger a nationwide BAN of the insurance company in all states -- as per the rules of the ACA.

The Federal law is clear: Starting in 2014, most Americans will be required to buy health insurance. For many, state ACA insurance exchanges will be their best and most affordable way to shop.

Ohio's goal is clear: Prevent any insurance company from offering coverage through Ohio's ACA insurance exchange, and thereby prevent the PPACA from being implemented in Ohio.

Now, you be the judge!

Can Ohio's Constitution prevail over the Affordable Care Act?

Will Ohio's Health Insurance Exchange open by the October 2013 deadline?