

## Raising questions about recent Hood column on G.A. decision to reject Medicaid expansion, health exchanges

by Adam Linker February 18, 2013

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It is safe to assume that John Hood, president of the John Locke Foundation, has easy access to Gov. Pat McCrory and legislative leaders in Raleigh. That means he has more insight than the rest of us into what motivates Republican lawmakers. That is why I found his recent column "Saying no is a start"

Hood explains to the rest of us why Republicans rejected a health benefits exchange and the Medicaid expansion. Just to be technically correct, the legislature did not reject a state exchange this session. It's too late to set up a state exchange for 2014. Instead, they decided to surrender state functions we are already performing to the federal government. Now back to the point of this post. Hood says the reason Gov. McCrory and the legislature do not want a state exchange is because they buy into a slightly wacky legal theory pushed by the Cato Institute that says in a federal exchange people can't get subsidies and the employer and individual penalties don't apply.

Let's set aside the legal reasoning here. Most lawyers reject this idea, but with our current Supreme Court I don't take anything for granted.

What is more intriguing about the column is that virtually no Republican has ever mentioned this reason for rejecting the exchange. I watched every minute of debate in the House and Senate on the "No Exchange/No Medicaid" bill. I've listened to every public pronouncement on the issue from House and Senate leaders. I've read everything I could find that legislators wrote or said in newspapers regarding the exchange and Medicaid expansion. I have spoken to many Republican lawmakers about the bill. The only time the Cato reasoning was mentioned was once, and then only obliquely, by Sen. Brown during debate on the Senate floor.

During debate and in press conferences and in letters to the editor and in a memo released by Gov. McCrory the reasons for rejecting an exchange and Medicaid include: too many stifling regulations from Washington, we don't have the infrastructure in place, Medicaid will crowd out private insurance,

Medicaid in North Carolina is broken, Washington is engaging in a bait and switch, and something about gas prices and quantitative easing.

The motivations given by Hood are not among the public explanations given by legislators. So, we should ask: is Hood right about the motivations of McCrory and the legislature? If so, why are they hiding their real reasons for rejecting Obamacare? Don't we deserve a public debate on these issues?

If Republicans are rushing the "Obamacare rejection" through the legislature because they know the move is unpopular now, wait and see what happens if the Supreme Court says people can't get subsidies on a federal exchange. If you are the 55-year-old head of a household making \$80,000, that would mean your insurance premiums in 2014 would shoot up from about \$7,600 per year to \$20,000 per year. All of this because of a decision by your state legislator and governor.

I don't doubt Hood is right. But if he is then the General Assembly and the Governor need to be more honest about their intent.

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