



## WSJ: Legislators as Obamacare 'Fall Guys'

Posted by Jack McHugh on November 28, 2012 at 2:57pm

Add the Wall Street Journal to the growing list of voices (including the Heritage Foundation, the Cato Institute, the Heartland Institute, the Mackinac Center and others) recommending that legislators here and in other states “just say no” to creating a state Obamacare exchange. Here are some pertinent excerpts:

... Sixteen states have already said they won’t participate. Another 11 are undecided, while only 17 have committed to doing the work on their own. Six have opted for a “hybrid” federal-state model. That means HHS will probably be responsible for fallback federal exchanges in full or in part in as many as 25 or 30 states.

...The main problem is that states are being conscripted as federal contractors. HHS has declined to reveal basic operational details except to make clear that state-based exchanges won’t really be run by the states. “No matter which option is chosen,” as Scott Walker put it, “Wisconsin taxpayers will not have meaningful control over the health-care policies and services sold to Wisconsin residents.”

So if things don’t work voters will blame the Governors for decisions made in Washington. And when it turns out that Obamacare’s costs are underestimated and its benefits exaggerated, they’ll have enabled an entitlement that many of their constituents oppose. The wonder is that any GOP leaders — ahem, Chris Christie and Rick Scott — are still playing Hamlet.

Partly that may be due to the insurance and provider lobbies, especially the hospitals. They’re furious that states might spoil the deals they cut with the White House and frantic for new revenue, which will only flow with the subsidies. (Note that health industry stocks rallied on President Obama’s re-election.) They’re also generally more powerful at the local level

and favor state-run exchanges as easier to manipulate. But Governors who give in are setting themselves up as political fall guys, just as the insurers will be when premiums inevitably spike.

...The Affordable Care Act barely passed and then barely survived Supreme Court review and the 2012 election. Now the entitlement is hurtling toward a truth-in-advertising moment and liberals are terrified that it won't produce the results they promised. That was always likely given the central planning architecture of Obamacare, but now the likes of Mr. Walker are declining to do their work for them and depriving them of scapegoats.

The day after Obamacare passed, we invoked the "Pottery Barn" rule that Colin Powell once applied to Iraq: You break it, you own it. Washington is about to break it, and the states are saying they won't be accomplices.

The situation in Michigan is a bit more complicated, with Gov. Rick Snyder still urging legislators to create a state exchange, thereby adding him and themselves to those "fall guys" for, among other things, recriminations when the law's absurdly unrealistic timetable crashes and burns during the next 13 months. (Because we know that massive, complex government information technology projects always come in on-time and below budget. That's a joke, of course — they never do — and there has never been an IT project even close to the magnitude and complexity of this one.)

At the same time, however, he is negotiating with the feds over a "partnership exchange," which isn't really a "hybrid" but rather a federal exchange for purposes of administering the heart of the law, its insurance subsidies, and eligibility determinations for same.

For reasons described here last week this "partnership" model may be a blessing in disguise for the law's opponents, and gives members of the Michigan House an excellent reason to stick to their "no state exchange" guns, thereby refusing to become both Obamacare fall guys *and* collaborationists.