DAILY KOS

How the Koch Brothers' Cato Institute Helped Make the ACA a Success

By Algernons Labyrinth

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We in the reality-based community have long acknowledged the important role played by the Heritage Foundation in laying the groundwork for the Affordable Care Act.

But too many do not know that, after years of delay and denial, when Heritage out of modesty declined to take credit for the brilliant success of its own plan, another pillar of the wingnut-industrial complex would step into the breach and help carry this plan to victory on what is now widely acknowledged to be a truly massive scale.

I refer, of course, to the Cato Institute, that venerable Koch-infested beacon of shrunken government for the poor and states' rights for the rich.

"How," you might ask, "could an Institute founded by Charles Koch in his own image in 1974—and whose board of directors he and his brother actually sued in 2012 because it was too libertarian—have helped engineer the greatest expansion of federal benefits since the Great Society?"

Well, it seems that the Cato Institute and their "director of health policy studies", a Republican wonk named Michael F. Cannon who The New Republic named "Obamacare's most relentless antagonist", thought that they had found a devious way to subvert the ACA: *convince red states to let the federal government run their exchanges.*

Follow me beneath the fold to see how Cato's expectations for its clever little plot would turn out to be all wrong, and how this Cato scheme would help make the ACA the success it is today.

As slinkerwink pointed out over four years ago, leaving the exchanges up to the states to implement was always asking for trouble. But that's what we were stuck with after the House had no choice but to go with the compromised bill the Senate had passed in late 2009, thanks to Scott Brown and the Senate majority's failure to change the filibuster.

Fortunately, the legislation did allow the feds to set up exchanges if the states failed to do so. And that's where the Cato Institute stepped in to save Congress from itself.

According to Cato's Cannon, he personally spent much of the past few years traveling on junkets to dozens of state capitals, where he told right-wing state legislators not to set up their own exchanges.

The details of this crusade are still a little hazy. On the one hand, it was a hard, truth-telling road. “It was very lonely out there,” he solemnly told The New Republic.

On the other hand, Cannon admitted in his own piece, he had a little help from his friends, namely those at FreedomWorks, ALEC, Americans for Prosperity, the State Policy Network, countless “mini-me” state-level right-wing thinktanks, and, uh, oh yeah, the Tea Party (mad props!)

At first, the legislators were skeptical, Cannon says. “Why shouldn’t we have our own exchanges?” they protested. “Then we’ll have control! States’ rights!”

But Cannon schooled them otherwise. The whole thing is a big federal plot anyway, he told them. Doing an exchange yourself would only give you the *illusion* of control. In short: *Take the red pill!*

And so, take the red pill they did, in dozens of red states that deferred to the feds.

In 2012, Cannon summarized his bold predictions for this effort in an article that appeared both on Cato’s website and in National Review.

He claimed that if the states don’t set up exchanges,

Bye-bye, Obamacare. That is, if the feds can create an exchange at all. The Obama administration has admitted it doesn’t have the money — and good luck getting any such funding through the GOP-controlled House.

Such prescience! Of course, there was no money for a federal exchange, which is why the last six months have been nothing but a fever dream from which Republicans will be awakening any moment now.

Back here in the real world, of course, the federal government is running an exchange for those red-pill states that has enrolled millions in health insurance plans. In fact, the federal exchange is so successful that one of the blue states, Oregon, is dropping its own jinxed effort and joining the big-government, federal club.

There are several other blue-state exchanges in trouble, too: Hawaii, Maryland, and even Massachusetts. Fortunately, there is a robust, federal solution ready to partner with them if need be.

Which leads us to ponder the horrifying question: What if the wingnut welfare recipients had not mounted their little crusade to federalize the exchanges? What if the red-state legislators had merrily gone their own way and tried to set up their own marketplaces as the Senate compromise envisioned? Would we be staring now at a dozen Oregons, seven Marylands, four Hawaiis, and worse? Would the ACA be crashing down around us in state after state?

Happily, thanks to the yeoman-like work of Cato & co., this question, like that of what would have happened if Chris Christie had been elected president, has now been consigned to the dustbin of hypothetical history.

So, Cato, allow me on behalf of the Democratic Party and big-government advocates everywhere, to give you the thanks you deserve. You've earned it.