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Health Care after the Supreme Court Ruling

By Veronique de Rugy June 25, 2012 11:34 A.M.

Since it looks like we will find out on Thursday what the Supreme Court ruling on Obamacare will be, I have a few questions for experts on both sides of the political spectrum about its potential consequences.

If the Supreme Court strikes down the mandate but not the rest of the law, aren't we more likely to end up with a singlepayer system?

If the Supreme Court strikes down the mandate but not the rest of the law, aren't we left with a ticking financial time bomb on our hands? Several provisions in the law could, it seems, bring the insurance industry down to its knees. This piece by Avik Roy makes the case that things could get really bad.

If the Supreme Court strikes down the entire law, what's next? We would still have a health-care system badly in need of reform. We would still be left with Medicare and Medicaid. Unfortunately, the way these programs are designed makes them financially unsustainable.

What will the consequences be if the Supreme Court upholds the law? We know what the <u>financial consequences</u> may be. However, what happens when a law that a majority of people dislike stays in place? According to a Rasmussen poll on June 23, 54 percent of Americans favor the repeal of the law; the latest Reuters poll shows that 56 percent of people are against the health-care law in its entirety and 61 percent are against the individual mandate; the latest AP/GfK poll found that 47 percent of Americans oppose the law and only 33 percent support it. That's got to have consequences, right? But what are they?

There are many different ways this ruling could go, but no matter the outcome, there could be serious negative consequences for our country if lawmakers aren't willing or able to agree to reform the whole system.

By the way, while everyone is busy waiting for the SCOTUS ruling, only a few people noticed the significant IRS tax on employers produced indirectly by Obamacare. Cato Institute's Michael Cannon <u>explains</u>:

With all eyes on the Supreme Court, whose ruling on ObamaCare's individual mandate could come as early as today, almost no one noticed that last month the IRS imposed an illegal tax on employers of up to \$3,000 per worker.

Jonathan Adler and I explain in today's <u>USA Today</u> that this illegal tax is the indirect but very real result of the IRS offering ObamaCare's tax credits and subsidies in health insurance "exchanges" created by the federal government, even though ObamaCare restricts those entitlements — explicitly, laboriously, and unambiguously — to Exchanges established by states.

That illegal action has the effect of imposing ObamaCare's \$2,000-\$3,000 per worker tax (i.e., the "employer mandate") on employers who otherwise would be exempt (i.e., employers in states that do not create an Exchange). Perhaps President Obama thought "taxation without representation" would be a winning campaign slogan.

If the Supreme Court fails to strike down ObamaCare's employer mandate, Exchanges, and health insurance tax credits and subsidies, this thoroughly unconstitutional IRS rule will begin illegally taxing employers in 2014.

Reps. Scott DesJarlais (R-TN) and Phil Roe (R-TN) have introduced a resolution under the Congressional Review Act that would block the rule. Barring that, expect more angry employers to haul ObamaCare into federal court.