



ObamaCare weaker, thanks to high court ruling

Chris Woodward - OneNewsNow - 7/4/2012

Despite what's being reported, a health policy expert says ObamaCare is weaker than it was before the Supreme Court ruled on it last week.

Michael Cannon, director of health policy studies at the [Cato Institute](#), says the Supreme Court "completely defanged the Medicaid expansion" as called for in the new healthcare law.

"The way Medicaid works is the federal government pays for a little more than half of each state's Medicaid program, and the state kicks in the other half," Cannon explains. "What the federal government said in ObamaCare is *you have to expand your Medicaid program dramatically. And if you don't, then you're going to lose all federal Medicaid funds.* For the average state, that's 12 percent of their budget."

More than two dozen states sued the federal government, arguing that the Medicaid language is coercive. The Supreme Court agreed, adding that the federal government cannot condition the old Medicaid money on this Medicaid expansion.

"They can only condition the new Medicaid money because the federal government was offering to pay for most of the expansion, not all of it," the health policy expert details. "Now, what that means for states is they don't need to expand their Medicaid programs anymore. They can keep that 12 percent of their budget they're getting from the federal government, even if they don't expand their Medicaid programs."

And because 26 states successfully sued to overturn the Medicaid expansion mandate, Cannon believes that gives an idea of how many states will refuse their Medicaid expansion.

"This is a serious blow to the Obama administration and to ObamaCare," he asserts. "Half of the new spending under this law comes through the Medicaid program. Half of the coverage expansion comes through the Medicaid program."

[Florida](#) has already announced it is not participating in the Medicaid expansion. As of this week, the state was also thinking of opting out of building insurance exchanges.