

Loophole a major problem for ObamaCare

Chris Woodward - OneNewsNow - 9/19/2011

A "glitch" has been found in Barack Obama's healthcare plan that one health policy expert says could "unravel" the law.

Beginning in 2014, the federal government will impose price controls on health insurance, while requiring that virtually every American purchase health coverage. As part of an effort to help Americans afford more costly premiums, Congress will offer assistance through health insurance exchanges that are supposed to be set up by the states. Should a state decide not to create an exchange, the federal government will create one. That, according to the [Cato Institute's](#) Michael Cannon, is where the glitch is found.

"[ObamaCare] only authorizes premium assistance in state-run exchanges. It does not offer premium assistance in federal exchanges," the health policy expert explained in a recent [podcast](#).

But this problem, he believes, gives states that are fighting ObamaCare a much stronger hand.

"All they have to do is not create a health insurance exchange, and the administration has no congressional authority to spend money in the federal exchanges that it creates," says Cannon. "Second, states can effectively force Congress to reopen this law, and maybe even repeal significant portions of it."

The Obama administration has addressed the glitch by instructing the IRS to issue a proposal that says the federal government will offer premium assistance in both the state and federal exchanges -- a rule that Cannon says equates to the IRS offering money and tax credits that Congress did not authorize.