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Health Care: Shifting the burden

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"Today's Supreme Court ruling is extremely disappointing for Virginia and for America," said Gov. Bob McDonnell on June 28, when the high court upheld Washington's 2010 health-care overhaul. The law, he said, will "create a costly and cumbersome system that will impair our country's ability to recover from these challenging economic times." It "infringes on our citizen's liberties, will harm small businesses, and will impose dramatic unfunded mandates on Virginia and all states. Simply put, this is a blow to freedom. America needs market-based solutions that give patients more choice, not less."

Tough words.

The question now is: Will he follow them up with tough action?

Under the law, Virginia must have a special insurance "exchange," a sort of clearinghouse where people and businesses can shop for policies much as Travelocity lets them shop for travel arrangements. Virginia can set up its own exchange — at a cost of millions of dollars, and then only on Washington's terms. Or it can let Washington create an exchange for the commonwealth.

A number of Republican governors — such as Louisiana's Bobby Jindal and Texas' Rick Perry — have opted not to shoulder Washington's burden. Virginia could do the same. And doing so would achieve more than saving the state considerable expense. It also could help hasten the repeal of the law. Here's how.

Nancy Pelosi famously remarked that Congress had to pass the Affordable Care Act to find out what's in it. Now the country is finding out. The law provides for billions of taxpayer dollars in handouts and subsidies. But as the Pacific Research Institute's Sally Pipes explains, "The text of the law stipulates that only state-based exchanges — not federally run ones — may distribute credits and subsidies."

What's more, establishing federal exchanges in multiple states will impose huge administrative costs on Washington. As Michael Cannon, director of health policy studies at the Cato Institute, explained in late June:

"The Obama administration has admitted it doesn't have the money — and good luck getting any such funding through the GOP-controlled House. Moreover, without state-run exchanges, the feds can't subsidize private insurance companies. That by itself could cause Obamacare to collapse."

Declining to set up a state-run exchange in Virginia would be perfectly legal and above-board. If Virginia joined Louisiana, Texas and other states by refusing to do D.C.'s grunt-work for it, it would merely be shifting the burden back where it belongs: on the Beltway denizens who imposed the burden in the first place.

The ACA might then collapse under its own weight, at which point the country could move forward with genuine, market-based reforms that would do actual good. If McDonnell believes what he said on June 28, then he should be eager to help make that happen.