



States vs. ObamaCare

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Now that the U.S. Supreme Court has upheld ObamaCare's individual mandate and President Obama has won a second term, the battle over the future of the health care overhaul has shifted to the states. Lawmakers must decide whether to participate in the Medicaid expansion and whether to set up state-run markets where people can buy subsidized and regulated insurance. Cato Institute Health Policy Director Michael Cannon gave reason three reasons why states should fight back against the law.

1 Why should states bear the costs or blame for this mess? States that create exchanges have to fund them. If they expand Medicaid, they have to pay the administrative costs.

2 States can exempt their employers and residents from ObamaCare's punitive taxes. If a state refuses to establish an exchange, as 28 states have, the rules change. Employers win because they avoid a \$2,000-per-worker tax. Many individuals win because they avoid a tax of \$2,085 on families of four earning as little as \$24,000. And the state wins because it can lure jobs away from other states where that \$2,000-per-worker tax applies.

3 States can force Congress to reopen ObamaCare. ObamaCare offsets its Medicare cuts and new taxes by showering subsidies on the health care industry via the exchanges and the Medicaid expansion. When states refuse to implement those provisions, they block that new spending, and the industry will demand that Congress reconsider ObamaCare.