RedState

Ohio Finds New Hope Against ObamaCare

By: Breeanne Howe March 11th, 2013

State Representative Ron Young and Rep. Andy Thompson have introduced a bill in the Ohio House known as, “The Health Care Freedom Act,” that could offer new hope in the fight against the Patient Protection and Affordable Care Act (PPACA), otherwise known as Obamacare. The bill focuses on the Obamacare provision that seeks to fine citizens for failing to purchase healthcare. As the Health Care Freedom Act claims that it doesn’t conflict with the current federal law, it can be seen as a great step forward for Ohio’s healthcare freedom.

According to the PPACA, employers and individuals must purchase health insurance or they will be subject to tax penalties. In seven months time, despite the sequester, citizens may be fined anywhere from $695 per person to $4,700 per person; with those amounts set to increase at the rate of inflation. To help Americans secure health insurance, Obamacare allows for many people to receive subsidies and/or tax credits to offset the cost of insurance. On the insurance provider side, companies also receive subsidies to help with the added costs associated with covering a larger amount of people at lower rates to consumers. However, the price for the insurance companies accepting the federal subsidies is the tax penalty for citizens who don’t purchase insurance. As long as the insurance companies do not accept federal subsidies, consumers will not be subject to penalty taxes. That is where Ohio’s Health Care Freedom Act (HCFA) has potentially located a weakness.

Once passed, HCFA prohibits health insurance companies operating in Ohio from accepting any funding from the federal government that would result in potential penalties for employers or individuals. If a company chooses to receive federal subsidies, their license would be suspended in the state. While they would still be able to conduct business previously secured, the company would be barred from writing any new business until the funding is returned to the federal government. Further, due to the rules set up within PPACA, the subsidized insurance company would be prohibited from participating in any exchange nationwide. As explained by Michael Cannon of the Cato Institute:

… since they would no longer be licensed and in good standing with the state, they would no longer qualify under the PPACA as an issuer of “qualified health plans.” The PPACA itself would therefore preclude them from writing new business or receiving subsidies through any Exchanges for as long as the suspension remained in place. Without the (illegal) subsidies, consumers and carriers would have no reason to participate in a federal Exchange.

In 2011, voters in Ohio overwhelming supported the adding of language concerning their health care freedoms to the state Constitution. It now reads:

No federal, state, or local law or rule shall compel, directly or indirectly, any person, employer, or health care provider to participate in a health care system.

The HCFA may be just what the doctor ordered in helping protect the citizens of Ohio against the federal government's attempted intrusion into their state health care and, as evidenced by the support of the additional language to their state constitution, should be passed without objection.