

# With healthcare waivers, ‘government gets to pick winners and losers’

By Amanda Carey - The Daily Caller 9:49 AM 10/14/2010

On Sept. 30, the Department of Health and Human Services (HHS) released a [list](#) of 30 businesses and unions that the administration exempted from compliance with Obamacare. The waivers were met with criticism from all sides, but nearly two weeks later the nature of the process remains shrouded in mystery.

Some view the waivers, which were extended to a select few by HHS Secretary Kathleen Sebelius and President Obama, as a cave to lobbyists. According to Cato Institute Senior Fellow Michael Tanner, the waivers will do nothing to help other businesses due to face a choice of drastically raising employee premiums or dropping their insurance plans completely.

“The companies that got waivers will be at a competitive advantage,” Tanner told The Daily Caller. “The companies that didn’t will be less attractive in the labor market and have higher costs. Either way, it’s not a good thing.”

The regulation in question requires health [insurers](#) and business to begin phasing out caps on annual health coverage this year. Employers will then be required to offer up to \$750,000 in coverage in 2011, \$1.25 million in 2012, \$2 million in 2013, and unlimited in 2014.

Companies balked at the expense and threatened to drop coverage altogether — hence the waivers, which have become Obama and Sebelius’s effort to placate a small portion of the private sector and prevent almost 1 million Americans from being kicked off their [insurance](#).

So for one year, 30 companies — including two unions that actually lobbied for Obamacare (the International Union of Painters and Allied Trades, which is a part of AFL-CIO, and the United Federation of Teachers Welfare Fund) – do not have to worry about complying with this part of the law.

According to Jim Carpretta, Fellow at the Ethics and Public Policy Center and Director of [ObamaCare Watch](#), the waivers are just the first of many [problems](#) to come with a faulty piece of legislation.

“It is awful that they have set this up where they are issuing heavy, blanket one-size-fits-all legislation,” he told TheDC. Carpretta, who is a former associate director at the White House Office of Management and Budget (OMB), called the waivers “ad hoc decisions.”

“It seems whoever has an army of lobbyists can get a waiver,” said Capretta.

Tanner agreed, calling the process “absolutely arbitrary.”

“There may have been some secret criteria set down in the bowels of HHS, but I have no idea what they are,” he said.

When contacted by TheDC, a spokesperson for HHS responded with a [memo](#) regarding the waivers, which can also be found on the HHS website. According to that information, all companies had to do was answer five simple questions and provide HHS with information about the term of the company’s plan, the number of people covered, the rate or limit of coverage, a description of why complying with the regulation would result in loss of coverage for [employees](#), along with a signed statement by the chief executive affirming that fact and that the plan was in effect before Sept. 23.

The HHS spokesperson declined to comment when asked why, when the application is so simple, companies could have been denied a waiver and if any companies in fact were. A recent Washington Post [report](#) stated one company had been denied, though HHS would not disclose information regarding that case.

A spokesperson for McDonald’s Corp – probably the highest profile company that obtained a waiver – told TheDC that it could not provide further details about the application process because the company did not submit the request; their insurance carrier did.

“This is a case of where the [government](#) is picking winners and losers,” John Palatiello, president the Business Coalition for Fair Competition, told TheDC. “The government is getting to say to one company ‘yes’ and to another ‘no.’”

He added: “And if health care is so great, why are companies asking for waivers and why is the government granting them?”

“What we’re seeing right now is result of blanket across the board, arbitrary regulations,” said Capretta.