



## Insurance Companies Become Obamacare's Biggest Defenders

By [Peter Fricke](#)  
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Critics charge Obamacare's individual mandate is boosting the profits of insurance companies, securing their loyalty to Democratic politicians.

Washington Post blogger Jennifer Rubin [argued Tuesday](#) that "the individual mandate is the greatest single act of corporate welfare in memory," creating new customers for the insurance companies by fiat and subsidizing that coverage with tax dollars.

Rubin pointed out that during the debate over Obamacare, "Many conservatives bitterly criticized the influence of Big Insurance, correctly labeling it a prime example of corporate cronyism." Now, she says, "it is both good politics and good policy to end this incestuous relationship."

[According to The New York Times](#), "the relationship between the Obama administration and insurers," while initially contentious, "has evolved into a powerful, mutually beneficial partnership that has been a boon to the nation's largest private health plans and led to a profitable surge in their Medicaid enrollment."

"These companies all look at government programs as growth markets," Michael Tuffin, a former executive vice president for the industry's main lobby told The New York Times. Tuffin explained that, "There will be nearly \$2 trillion of subsidized coverage through insurance exchanges and Medicaid over the next 10 years," and insurance companies are eager for the new customers those subsidies will create.

By a variety of measures, insurers are already benefitting from Obamacare. Since the law was signed, the Times notes, "share prices for four of the major insurance companies—Aetna, Cigna, Humana and UnitedHealth—have more than doubled, while the Standard & Poor's 500-stock index has increased about 70 percent."

In addition, UnitedHealth Group, which makes about half of its revenue from Medicaid and Medicare Advantage plans, "expects to participate in insurance exchanges in 23 states next year, up from four this year," while Aetna brags about "excellent performance in our government business, which now represents more than 40 percent of our health premiums."

From defending the health care law in court to helping the administration “repair the HealthCare.gov website after it crashed in the opening days of enrollment,” insurance companies have become active supporters of Obamacare, and “federal officials are eager to collaborate with an industry they once demonized.”

Michael Cannon, director of health policy studies at the libertarian Cato Institute, told the Times that, “Insurers and the government have developed a symbiotic relationship, nurtured by tens of billions of dollars that flow from the federal Treasury to insurers each year.”

Although insurers were “often aligned with Republicans in the past,” the Times predicts that they “may soon be on a collision course with the Republican majority in the new Congress,” if the GOP attempts to dismantle Obamacare.

“This can easily come to a head in the new Congress when Republicans go after the risk corridors,” Rubin said, referring to the additional subsidies insurers can receive if the cost of providing coverage on the exchanges is higher than expected. [\*\*RELATED: Valerie Jarrett Personally Soothed Nervous Insurers who were Asking for Obamacare Bailout\*\*](#)

She argues that, “the GOP should blow the whistle on this egregious enrichment of private business by government,” and consider “making the insurance companies eat the costs of the monstrous legislation they foisted on the voters.”