



NYT: Obama Now Allies With Health Insurers He Once Vilified

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By John Blosser

Republicans may hate Obamacare, but insurance companies are loving it.

The companies, initially leery of the Affordable Care Act (ACA) after President Barack Obama slammed them while promoting the act's 2010 passage for overcharging, unfairly profiting and refusing coverage for pre-existing conditions, are swimming happily in a pool of new Medicaid profits, [The New York Times reports](#).

Across the board, the nation's largest insurers have reaped financial benefits from the ACA and, in turn, have partnered ever closer with the president who once lambasted them, helping to save the ACA from its website's technical launch problems and becoming Obama's allies in court to aid the administration's battles against legal challenges to the ACA.

Now, insurance companies, once firmly on the Republican side, may constitute one of the Republican majority's biggest obstacles when it comes time in the new Congress to challenge, and attempt to repeal, Obamacare.

Michael F. Cannon, director of health policy studies at the Cato Institute, told the Times: "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."

WellPoint, for example, has added 751,000 new customers, and 700,000 Medicare customers. United Health plans to join in on 24 of the insurance exchanges next year, an increase from just four, [The Milwaukee Sentinel-Journal reports](#).

Aetna, Cigna, Humana and United Health all have seen their share prices double, the Times notes.

Insurance companies have discovered a new frontier of profit growth as the Congressional Budget Office estimates that the number of people covered by Medicare, Medicaid and Obamacare insurance exchanges is expected to grow to 170 million by 2023, while those covered by employment plans will rise by just two percent to 159 million, the Times reported.

At WellPoint, Christine Arnold wrote in a report, Medicaid expansion "is proving highly profitable."

This may not be good news for Republicans. The Times commented, "Insurers may soon be on a collision course with the Republican majority in the new Congress. Insurers, often aligned with Republicans in the past, have built their business plans around the law and will strenuously resist Republican efforts to dismantle it."

Michael J. Tuffin, formerly with insurance industry lobbying group Health Insurance Plans, told the Times: "These companies all look at government programs as growth markets. There will be nearly \$2 trillion of subsidized coverage through insurance exchanges and Medicaid over the next 10 years. These are pragmatic companies. They will follow the customer."