

States' opt-out provision labeled a 'ruse'

Jim Brown - OneNewsNow - 10/29/2009 10:30:00 AM

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A healthcare policy analyst says the public option plan with an "opt-out" for states is not a concession that supporters of a new "Fannie Med" program are offering to make the healthcare bill more "moderate."

Senate Majority Leader Harry Reid (D-Nevada) says the Senate healthcare reform bill will include a government-run insurance program, including a provision that allows states to opt-out of the program.

Michael Cannon, director of health policy studies at the [Cato Institute](#), says the notion that states would be able to opt-out of the public option is a ruse within the larger ruse of a new government insurance program that will drive private insurance out of business.

"No state is going to opt out of this government program because first of all, they won't be able to opt out of paying the taxes for it -- and secondly, because every state's residents will have to pay taxes to support this program," Cannon explains.



Cannon

"It would be political suicide for any state official to block their residents [from] being able to access this program -- [those voters want to] get some of those tax dollars back from Washington. State officials are obsessed with maximizing their pull-down of federal dollars." The director concludes that this program "allows [officials] to hand out goodies to their favorite constituencies without having to raise the tax revenue themselves."

Cannon predicts voters will "crucify" any state official that tries to opt-out of "Fannie Med." He explains that "Fannie Med" supporters know that, and they are counting on this. And that, he says, is why the state-opt out provision is a ruse.