



Written by [Michael Tennant](#) on December 23, 2014

CMS: Let ObamaCare Exchanges Shift Some to Cheaper Plans

“The basic Constitutional question argued at the passing of the Affordable Care Act (ACA) was; Can the government force American citizens to purchase a product?”

Representative Mark Meadows (R-N.C.) recalled in an op-ed in the [Washington Times](#). “Now the question has become; can the government change an individual’s private healthcare provider — without consent — just because that individual is silent and doesn’t opt-in to a new policy?”



If the Obama administration gets its way, the answer to that second question may well be yes. A [fact sheet](#) accompanying a November 21 Centers for Medicare and Medicaid Services (CMS) regulatory proposal contains the following language regarding enrollment in ObamaCare exchange coverage:

Under current rules, consumers who do not take action during the open enrollment window are re-enrolled in the same plan they were in the previous year, even if that plan experienced significant premium increases. We are considering alternative options for re-enrollment, under which consumers who take no action might be defaulted into a lower cost plan rather than their current plan. We are considering allowing states to pursue these sorts of re-enrollment alternatives for coverage in 2016. The [federal exchange] is exploring such an approach for coverage in 2017.

In other words, under this proposed rule, anyone who buys exchange coverage in one year and takes no action in subsequent years — under the assumption that doing so means his existing coverage will continue — may now be reassigned to another, cheaper plan by the bureaucrats at the state or federal exchange. Such a plan may not include the same physicians, hospitals, and treatment options as the plan that individual selected. Indeed, given that it’s less expensive, it will almost certainly offer fewer choices.

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The government, of course, cannot know which current exchange enrollees have decided to stand pat until the open enrollment period has ended. Thus, it will have to wait until after the enrollment period has closed to determine who will be shunted into cut-rate plans, at which point those individuals will have no recourse for an entire year.

Why is CMS considering this new rule? The answer lies in the first sentence quoted from the fact sheet above.

The administration, no doubt hoping to keep people from dropping exchange coverage, decided that anyone who bought an exchange plan last year and did nothing this year would automatically be re-enrolled in the same plan. (The rule also applies to future years.) This was good public-relations planning on the administration’s part because it made things easier for people and, perhaps more importantly, would almost certainly goose this year’s enrollment numbers.



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Unfortunately for the White House, “people who decide to stick with the coverage they’ve already gotten through Obamacare, rather than switching plans, are at risk for some of the biggest premium spikes anywhere in the system,” in the words of *National Journal’s* [Sam Baker](#). What’s more, they may not realize that their subsidies have changed — often for the worse — until they get their income-tax refunds (if any) in 2016.

The administration, therefore, was faced with the possibility of large numbers of Americans choosing (by inaction) to renew their exchange coverage only to discover much later that, as Baker put it, “if you like your Obamacare plan, you can keep it — but you might end up paying a whole lot more.” Thus, it came up with the proposed solution: If a person doesn’t actively renew his exchange policy or select a new one, exchange bureaucrats will choose a cheaper one for him.

“CMS,” observed Meadows, “has laid the perfect trap: Sign up at healthcare.gov one time in your life and we will never let you go. If you don’t continually re-enroll each and every year, CMS will keep you on the plan that it chooses because, after all, CMS knows what’s best and they always make the best decision.”

Is the proposed insurance reassignment policy really inescapable? According to *Reason’s* [Peter Suderman](#), “There does appear to be some possibility of user choice built into the plan; although the summary fact sheet doesn’t note it, enrollees would be able to select whether or not they want to be involved in auto-reassignment. Enrollees still, however, wouldn’t know exactly what they would be getting into when they made their choice.”

The comment period for the new rule ends Christmas Day, according to Meadows, who wrote that he “sent a letter to CMS demanding they immediately strip this provision from the pending rule and abandon any future attempts to single-handedly choose Americans’ healthcare plans.”

Whether or not the proposal becomes a reality, noted Suderman, “the fact that Obamacare’s overseers are thinking like this says a lot — about their government-knows-best bureaucratic mentality and about the complications of the law itself.” It also says a lot about a president who repeatedly vowed that under his healthcare law, Americans could keep their health plans and doctors if they liked them — and what it says isn’t very flattering.



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