



Written by [Michael Tennant](#) on October 1, 2010

ObamaCare Cooks up an Unhappy Meal for McDonald's Employees

McDonald's has just served up a not-so-happy meal to its employees, courtesy of ObamaCare: Because of the federal government's new rules governing limited-benefit health insurance, also known as "mini-med" plans, the Golden Arches may be forced to stop insuring their nearly 30,000 restaurant workers in the very near future.

The *Wall Street Journal* [reports](#) on a memo sent by the fast-food giant to the Department of Health and Human Services explaining that "it would be economically prohibitive for our carrier to continue offering the mini-med plan unless it got an exemption from the requirement to spend 80% to 85% of premiums on benefits."

"McDonald's and trade groups say the percentage, called a medical loss ratio, is unrealistic for mini-med plans," writes the paper, "because of high administrative costs owing to frequent worker turnover, combined with relatively low spending on claims."

McDonald's offers three mini-med plans to its hourly employees, with premiums for a single worker ranging from \$14 a week for the least generous plan (maximum \$2,000 annual benefit) to \$32 a week for the most generous (maximum \$10,000 annual benefit). The plans may not be as generous as salaried employees of large companies have come to expect; but for someone flipping burgers for a living, they're almost certainly better and cheaper than any policy that individual could purchase on his own.

ObamaCare, of course, was touted as a way to *increase* the number of insured persons. But, as the *Journal* points out, it is having quite the opposite effect, with insurers already [refusing to write new children's policies](#) and proposing ["double-digit premium increases."](#) Add the latest news from McDonald's, and it's no wonder Democrats are in trouble this election season.

Democrats are, after all, the ones who singlehandedly crafted and passed ObamaCare, including the requirement that mini-med plans spend at least 80 to 85 percent of their revenue from premiums on medical care, the purpose of which was "to prevent insurers from spending too much on executive salaries, marketing and other costs that [Democrats] said don't directly help patients." (Meanwhile, a 1988 study [estimated](#) that the government was spending 74 cents of every dollar budgeted for welfare on overhead — an amount that has almost certainly increased since then.) Neil Trautwein, a vice president at the National Retail Federation, told the *Journal*, "There is not any issuer of limited benefit





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coverage that could meet the enhanced [medical-loss ratio] standards” — the result being that, insurers told the newspaper, “dozens of other employers could find themselves in the same situation as McDonald’s,” as could colleges.

As noted above, McDonald’s is seeking an exemption from the medical-loss ratio requirement, reminding DHS in its memo that the federal government’s expansion of Medicaid and subsidies for health insurance don’t take effect until 2014, which means McDonald’s crew members could potentially end up uninsured for the next few years if the company is forced to drop its mini-med insurance. The feds passed the buck to the association of state insurance commissioners, which is currently drafting recommendations. Kansas Insurance Commissioner Sandy Praeger, who heads the association’s health-insurance committee, is entirely unmoved by the plight of all those McDonald’s employees who may end up uninsured next year, saying “she doesn’t think these types of mini-med plans deserve an exemption,” according to the *Journal*. “If they are sold as comprehensive coverage, we expect them to meet the same [medical-loss ratio] standards as other health plans,” she said. So much for all these officials’ blather about how deeply they care for low-income persons such as those employed by fast-food joints.

The more the unintended consequences of ObamaCare pile up, the more one could be forgiven for thinking they were *intended*, the ultimate goal being to destroy the private health-insurance industry and to force everyone into a single-payer government healthcare system, especially given that various members of the Obama administration, from Centers for Medicare and Medicaid Services chief Donald Berwick to the President himself, have expressed a desire to impose such a system on Americans. Whether or not the consequences were intended, this unconstitutional legislation is indeed having such an effect: The *Journal* reports that “benefit consultants anticipate that, by 2014, most employers will stop offering mini-med plans,” leaving many, if not most, of their employees fully dependent on government-subsidized health insurance.

ObamaCare, which super-sizes the federal government, is far worse for Americans’ health than anything served at McDonald’s. We deserve a break today: Repeal ObamaCare!





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