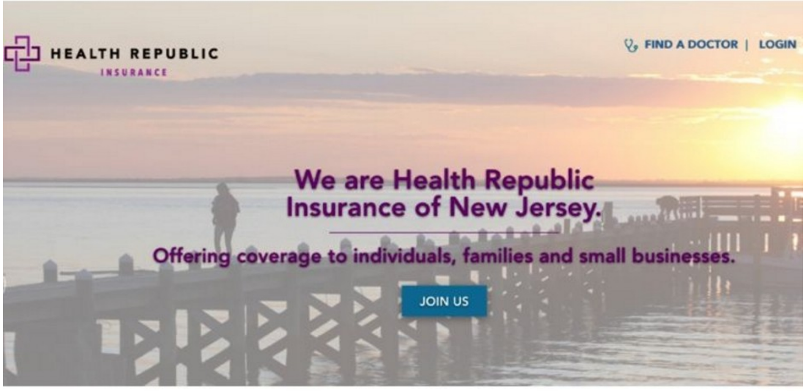
President Seeks to Bail Out ObamaCare as Another Co-Op Fails



When Barack Obama's signature healthcare plan hit the marketplace three years ago, it touted 23 co-ops. In light of recent news concerning yet another insurer set to withdraw from a state exchange, that number has dropped to a mere six of the original 23 still operating. Seventeen of the original co-ops have now dropped out. In September, Health Republic Insurance of New Jersey — the state's top insurer — released news that they were $46.3 million in debt, and as of 2017, they would no longer be taking part in the state health exchange, news that leaves 35,000 policy holders now scrambling for coverage.

As Health Republic undergoes a rehabilitation plan — not bankruptcy, but still needing court approval — other insurers are following suit and leaving state exchanges, insurers such as Indiana University Health Plans, whose exit will leave approximately 27,000 Indiana residents losing their ObamaCare plan in the new year.

Insurers still operating in the state exchanges are set to raise premiums yet again next year. With an average national hike in rates expected to be around eight percent, some states are seeing significantly higher than the national average. Premera in Washington State has already been approved to raise its rates a stunning 19 percent; in Alabama Blue Cross Blue Shield is requesting a 40-percent hike; and Blue Cross Blue Shield of Texas has requested permission to increase rates an astonishing 60 percent. As people across the nation, in places such as New Jersey or Indiana, find themselves searching for a new plan, they will be facing a massive hit to the wallet with the skyrocketing health coverage costs.

While insurance companies struggle to deal with a risk pool heavy on sick and elderly yet light on young and healthy, federal programs aimed at assisting struggling companies are expiring. Those businesses have but a few simple yet dramatic solutions: raise rates, leave the exchanges, or close up shop. At the Washington Policy Center in Washington State, healthcare policy analyst Dr. Roger Stark M.D. said, "That's going to be the future. What we're seeing here is the beginning of a death spiral as far as exchanges are concerned as more companies pull out."

Erica Jedynak, New Jersey state director for the conservative group Americans for Prosperity also highlighted problems with ObamaCare. Stated Jedynak,

> The collapse of the Health Republic Insurance of New Jersey is the latest example of how ObamaCare is unaffordable, unworkable and hurting the American people. The co-op's demise will now upend the lives of 35,000 New Jerseyans, forcing them to scramble for new health insurance by the end of the year. Meanwhile, tens of millions of taxpayer dollars will have been wasted.

As the nonprofit state co-ops drop like flies, a number of the health plans selling coverage on the ACA marketplaces have filed charges against the government — lawsuits over billions of unpaid dollars the government owes under the Affordable Health Care Act.

And while Congress banned the use of Health and Human Services funds to pay off the ObamaCare debt, the president seems ready to do an end-run around Congress. It is a move many are calling a "Health Insurance Bailout." It makes use of an obscure Treasury Department fund, the Treasury Judgement Fund. The fund, created to satisfy claims against the government, was set up in the 1950s and is allowed as much money as is needed.

Over the past decade, the fund has been used a few hundred times and has paid out cumulative settlements of approximately $18 million. Weighed against the $2.5 billion the government owes to insurance companies for 2014 alone — and as-yet-undisclosed amounts for 2015 — the measly $18 million figure over the past decade highlights how woefully out of context the use of the Treasury Judgement Fund is.

In what appears to be a high stakes game of chess, Republicans in Congress see a struggling leviathan — the ACA — that has exacerbated problems in healthcare industry, rather than fix anything, and needs to be put down through proper gamesmanship. Across the chessboard, congressional Democrats refuse to let go of ObamaCare and, as if they are caring for a terminally ill patient on life support, are looking for any way to shore-up the system.

The Democrats see the Treasury Department monies as one of a number of strategies to lure insurers into the marketplace. With a governmental promise to reimburse insurance companies for high-risk new customers, proponents of the ACA hope providers will stay on the playing field. However, when the colossal disparity between the amount the federal government was prepared to pay and the amount that was filed by insurance companies was discovered, the government seems to have been caught unprepared. Of the $2.9 billion dollars owed for 2014 alone, to date the government has paid only $400 million, a mere 12.6 percent — a financial chasm that is bound to have providers casting a wary eye.

For their parts, the presidential candidates have not been silent. While Hillary Clinton is a huge proponent of a single-payer healthcare system, Donald Trump has been outspoken on the need not only to scrap the ACA, but to open state borders allowing for competition between health insurance providers across the nation, a sentiment shared by Raven Clabough in an article at *The New American* magazine. Said Clabough,

> And while solutions to address ObamaCare's problems have been offered by numerous presidential contenders, the best solution is ultimately for the federal government to adhere to the U.S. Constitution and bow out of the healthcare industry entirely. Government intrusion in healthcare is what has caused the very problems that led to calls for healthcare "reform" in the first place.

The single-payer option is rife with problems, as well, as has been shown in socialist-leaning countries across the world, problem's that include, among other things, too many patients with too few doctors.

In the article "The Right Lessons From Obamacare's Meltdown" by former Congressman Dr. Ron Paul, Paul said,

> The problems plaguing the health care system are rooted in the treatment of health care as a "right." This justifies government intervention in the health care marketplace. This intervention causes increasing prices and declining quality and supply. Ironically, those who suffer most from government intervention are the very people proponents of these programs claim to want to help. The first step in restoring a health care system that meets the needs of all people is to start treating

health care as a good that can and should only be provided via voluntary actions of free people.

Clabough and Paul are both correct. The solution to the healthcare crisis is not to prop up a government program that is reducing healthcare choices, increasing healthcare costs, and causing a myriad of problems for people throughout the country. The first step is to get the government out of the healthcare industry.

The Affordable Health Care Act has not brought those in poverty up to a new standard of living. It is a monstrosity that has cost families money, and it is on life support for a reason: layers of government inserted into the healthcare system must *always* raise costs (to pay for the new bureaucracy and meet paperwork requirements), lower healthcare quality (because doctors must do what faceless bureaucrats dictate, not necessarily what they feel is the best treatment), and lead to government rationing (to save money). The best course of action for this program is to pull the plug.