



Written by [Raven Clabough](#) on June 13, 2018

States Resort to Individual Mandates to Save a Dying Healthcare System

Vermont will require all residents to have health insurance by 2020, despite the national backlash against ObamaCare's individual mandate that demanded the same requirement of all Americans. Just days after Vermont signed its individual mandate into law, New Jersey followed suit. The two states now join Massachusetts, which has had a similar mandate in place for years. The laws prove that the federal government is not the only government capable of overreach.



Vermont's law, signed by Republican Governor Phil Scott late last month, creates a commission to work out the details of the law, but one thing is certain: Residents will be required to have health insurance or face a penalty. The mandate is scheduled to go into effect on January 1, 2020.

Supporters of the bill resorted to the same talking points used to advocate the individual mandate. They claim it will make insurance more affordable for everyone by spreading the insurance risk among as many people as possible. "We are committed to maintaining Vermont's low uninsured rate," declared Rebecca Kelley, Scott's communications director.

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Even Republicans, who once understood individual liberties and the merits of the free market, support the law. "The stability of our insurance market really demanded this," stated Republican State Representative Anne Donahue, vice chair of the House Committee on Health Care.

Meanwhile, the Affordable Care Act's individual mandate will be repealed in 2019 after Americans rebelled against its government overreach. But according to Trish Riley, executive director for the National Academy for State Health Policy, the individual mandate's repeal may have been just the catalyst to guarantee Vermont's law. "It is really significant that Vermont established an individual mandate and filled the gap with the federal roll-back," Riley said.

It remains unclear whether the penalty for not having insurance will be a financial one.

"We had a lot of concern, I think everybody does, about people who are not buying it because it is still totally unaffordable," Donahue said. "The last thing you want to do to those folks is take money from them because they didn't have enough money to buy insurance."

Predictably, Vermont's law found support from Blue Cross Blue Shield of Vermont, the state's largest insurance provider. "It provides stability," spokeswoman Sara Teachout said. "You can't really look at the individual mandate alone. It's part of a comprehensive health care system where everyone purchases insurance and everyone is covered, ideally."

Others contend, however, that the mandate will pose a financial burden to families that may already be struggling. Mike Fisher, Vermont's chief healthcare advocate, notes that while he understands the



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“public interest” argument for the mandate, it remains difficult to justify placing a financial burden on families that simply cannot afford coverage at this time. “As a consumer advocate, we want to speak up for people who can’t afford it,” Fisher said. “It just does not fit into their family’s budget.”

Two days after Governor Scott signed Vermont’s bill into law, New Jersey’s Democratic Governor Phil Murphy signed a similar one for New Jersey residents.

Governor Murphy also signed a bill that provides funding to help lower insurance premiums, known as “reinsurance,” *The Hill* reports. The funds will cover the costs of treating especially sick and costly patients.

“NJ took a big step today to protect its residents from Trump’s health care sabotage, passing an individual mandate and taking steps to establish a reinsurance program,” Sam Berger, a senior advisor at the liberal Center for American Progress wrote on Twitter.

But as noted by *The New American’s* Mike Tennant, ObamaCare’s individual mandate hurt already struggling families in New Jersey. Americans for Tax Reform reported that the 78 percent of New Jersey households subject to ObamaCare’s penalty earned less than \$50,000 per year, while 38 percent earned less than \$25,000. New Jersey’s individual mandate is likely to do the same.

ObamaCare itself was the federal government’s attempt to save a healthcare system that was already plagued by far too much government intervention. By the time President Trump repealed the individual mandate, it was clear that Obama’s healthcare law was a disaster, but the repeal has further underscored the instability of the Affordable Care Act.

But rather than learn from the federal government’s mistakes, states seem hell-bent on enacting similar plans and expecting different results somehow. (Isn’t that the definition of insanity?) Individual mandates are simply the states’ attempts to put a Band-aid on a gunshot wound. Rising healthcare costs can be corrected by removing mandates and regulations both at the state and federal level, and allowing free market principles to determine prices and plans.

Unfortunately, it seems states will have to continue to hurt before learning the hard way that individual mandates and socialistic healthcare systems do not work, not even at the state level. According to *The News Tribune*, several other states — Hawaii, Maryland, and Washington — are considering similar mandates. Connecticut is in the process of studying one, and a Washington, D.C. group is recommending that the district implement one.



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