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Dollars and Sense: The Real Reasons to Say No to State Healthcare Exchanges

Citizens' Council for Health Freedom Outlines Major Problems with State Exchange Adoption

Key Facts:

- The [*Citizens' Council for Health Freedom*](#) outlines four primary problems with states' adoption of healthcare exchanges.
- Exchanges pose a significant threat to employers and state budgets.
- Links to the federal data sharing services hub also create major concerns for patient privacy and access to care.

ST. PAUL, Minn. – Many states continue to move toward implementation of the centerpiece of the Affordable Care Act: state healthcare exchanges. But as these implementations continue, there are four major issues impacting both individual patient/taxpayers as well as state legislators.

First, under the Affordable Care Act, employers with at least one employee who chooses to purchase health insurance through healthcare exchanges will be penalized, up to \$3,000 per employee. The penalty for many employers will be so burdensome, that many smaller businesses will not be able to survive based on the tax penalties assessed simply because one employee chose to shop around for health insurance. But without exchanges, there will be no burdensome penalties.

“The cost to businesses – especially small businesses – that are penalized for having employees that choose an exchange-based insurance plan over an employer-sponsored will be astronomical,” said Twila Brase, President for the Citizens' Council for Health Freedom.

“Many may not be able to sustain operations in a depressed economy with a penalty such as this added into the mix, and we will see Obamacare hurt jobs and the economy.”

In addition to the business penalties that are harmful to free enterprise, each individual state exchange comes at an enormous price tag of approximately \$10 to \$100 million per year, per exchange. Such costs will not only harm state budgets, but will eventually result in higher taxes or premiums to cover the capital and operational expense, once initial federal subsidies designed to hide these costs run out.

Much like the states, the federal government does not have the funds to build the federal exchange that will be imposed on states that do not comply with a local exchange implementation. So far, the Department of Health and Human Services has made multiple requests for \$750 million to help build and operate the federal exchange; a charge the U.S. House has firmly denied to date.

“Clearly these exchanges come at a price that neither the states nor the federal government can afford,” said Brase. “Even worse, the added cost is not expected to improve services, and may limit access to care.”

Finally, the term “state healthcare exchange” is a misnomer since every state-run exchange must follow federal law and be designed to federal specifications. All state exchanges are technically at the mercy of the federal government in terms of how they run and what they offer.

“It’s clear that the hallmark of the Obamacare law are healthcare exchanges that invade privacy, may impinge on care, and decimate state budgets,” said Brase. “State healthcare exchanges are not the one-stop-shop marketplaces they are touted to be; states must refuse to implement them and the Congress must continue to vote down funding these strongholds of the Obamacare law.”

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Twila Brase is president and co-founder of the ***Citizens’ Council for Health Freedom***. She has been called one of the “100 Most Powerful People in Health Care” and one of “Minnesota’s 100 Most Influential Health Care Leaders.” The Council’s efforts have stopped government-issued treatment directives, added informed consent requirements for access to patient data and defeated a proposed Health Insurance Exchange. Brase’s daily radio commentary, ***Health Freedom Minute***, is a 60-second radio address on pressing health care issues. She has been interviewed by CNN, Fox News, Minnesota Public Radio, NBC Nightly News, NBC’s Today Show, NPR, New York Public Radio, the Associated Press, Modern Healthcare, TIME, The Wall Street Journal, The Washington Post and The Washington Times, among others.