



The Minnesota [Health Insurance] Exchange Act – HF 497

Why Minnesotans Should Say “NO”

THE LYNCHPIN - The Health Insurance Exchange has been called the ‘lynchpin’ of reform, the ‘glue’ that holds Obamacare together. The Exchange also has a key federal policing function. Nationally-recognized health economist Stephen Parente testified that 700 pages of Obamacare are a re-write of IRS code to allow extensive, real-time data-sharing on individuals through the Exchange to determine incomes, eligibility for tax credits, and compliance with the “credible coverage” mandate — the requirement that all citizens buy federally-approved health insurance.

VENEER OF FLEXIBILITY - The MN bill, HF 497, would codify the federal Exchange into Minnesota law. The bill mentions Obamacare 38 times. Proponents claim that if the State does not create their own exchange, the federal government will impose a federal exchange. ***However, the “state” exchange becomes a defacto federal exchange.*** It is the Administration’s preferred and expected exchange – the one they don’t have to set up, has to comply with Obamacare and its rules, and is established by its opponents. It’s a federal exchange with a veneer of state flexibility:

“In a February 24 letter to the nation's governors, Sebelius extolled the **four types of flexibility** that Obamacare allows states in shaping their exchanges: 1) States can restrict insurers from participating; 2) states can add even more benefit mandates than Obamacare requires; 3) come 2017, states can opt out of Obamacare by creating a single-payer health-care system; and 4) states can adopt their own "governance structure" and "operational philosophy." **In sum, states can impose harsher regulations than Obamacare requires and can choose who sits on their exchange's board. That's it.**” [emphasis added] – “Obamacare Can't Be Fixed,” Michael Cannon, *Cato Institute, National Review*, March 21, 2011, http://www.cato.org/pub_display.php?pub_id=12858

EXCHANGE WILL NOT GO AWAY - Supporters of the MN Exchange Act, HF 497, say a sunset clause in the Act assures the repeal of the Obamacare Exchange 30 days after the U.S. Supreme Court rules the law unconstitutional. However, sunset clauses can be sunset. Lawsuits can be filed and injunctions can be imposed. Once the bureaucracy is set up, the data system built, the MN Dept of Commerce spends \$52 million, and the private sector invests in the transition, it will be difficult to undo the Exchange. ***Already, Judge Vinson stayed his injunction partially to not disrupt current Obamacare implementation activities now underway by the States.*** What will the U.S. Supreme Court decide after another year of implementation?

UNDERMINING THE LAWSUITS - Judge Vinson, writing his March 3 “clarification” to his January 31 multistate ruling said State requests for federal dollars and State implementation of Obamacare provisions ***undercuts his ruling against Obamacare.*** Judge Vinson also said that the Executive branch is using delay tactics to allow more provisions to be implemented by States.

FODDER FOR PRESIDENT OBAMA? - A GOP-established Exchange may be used to claim Republican support for Obamacare, as Obama has claimed with RomneyCare. An Exchange codified by a GOP-controlled legislature before a ruling by the U.S. Supreme Court signals state acquiescence and compliance. It does not protect Minnesota. It strengthens Mr. Obama’s hand.