CCHF Testimony – Opposing Obamacare “Exchange”

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Twila Brase, president, Citizens’ Council for Health Freedom
MN Senate Health and Human Services Committee
Monday, March 26, 2012
Hearing on SF 1872
“The Minnesota Insurance Marketplace Act” (Lourey(D-Kerrick))

Mr. Chair and members of the committee,

My name is Twila Brase. I am president of Citizens’ Council for Health Freedom. Our mission is to support patient and doctor freedom, medical innovation and the right of citizens to a confidential patient-doctor relationship.

Our organization does not support federal encroachment into health care. Thus we do not support the government health insurance exchange proposed in Senate File 1872.

First of all, to be clear, this is not a marketplace. It’s a government bureaucracy.

The government health insurance exchange is a key part of the federal strategy to takeover and nationalize health care. According to the Star Tribune, an executive at UnitedHealth Group called the exchange the “heart” of federal health care reform.

What exactly is an exchange?

It’s a website portal with many complex data transfers, bureaucratic functions and financial transactions going on behind the screen. The interactions are between the federal government agencies, state government, employers and insurers. In short, the website portal allows federal regulatory control to take place invisibly through cyber space.

As you’ll see in the fiscal note on page nine, 40-50% of operating funds for the exchange are for information technology. So lots of data will be transferred between the state and federal government as well as funds.

The exchange has been sold to the public as a marketplace, a one-stop-shop for health insurance, but that’s not true. Thomas M. Christina, a former Associate Deputy Attorney General during the Reagan administration, warns that exchanges are:

- Central to the anti-market project
- Essential to eradicating private plans
- Enforcement without federal fingerprints
- Nationalization-in-fact

Many say the exchange is basically just for Medicaid, individuals and small business, but Joel Ario, the head of exchanges in the Obama Administration said in 10-15 years he envisions everyone buying through the exchange.
Others warn that everyone could be in the exchange for a different reason. They say adverse selection and low enrollment “could push state regulators to forbid insurance sales outside the exchange to … create a more stable market.” *(Inside Health Insurance Exchanges, August 2011)*

As you know, Governor Dayton issued an executive order to design and develop a government exchange. But he has no legislative authority to implement it, or to use any state funds.

Like you, we have heard that if we don’t build Minnesota exchange, we’ll have that federal exchange imposed on us. But that ignores the fact that every exchange is an imposition. It also ignores the fact that the Constitution doesn’t allow the feds to commandeer a state and force them to create an exchange. That’s why there’s a federal exchange in the law.

**To be clear, every exchange is a federal exchange.** The federal law makes it clear that the HHS has authority to require “any measure or procedure” to be undertaken by the state exchange. The law also says state exchanges may not write any rules that conflict with or prevent implementation of the federal rules issued by HHS.

It’s important to realize that the state exchange and the federal exchange are just different website portals of the same national system. Every exchange – every website portal – has to follow the federal law and the federal rules. As the National Academy of Social Insurance says, “…all Exchange models…must comply with ACA requirements.”

If you need more evidence of how little control states will have with a so-called state exchange, POLITICO reports that Massachusetts is retooling their five-year old state exchange to meet the new federal requirements.

Every exchange must also connect to the Federal Government through the Federal Data Services Hub. Data submitted by an individual must go to at least five federal agencies: Homeland Security, Social Security, Health and Human Services, the IRS, and the Treasury Department. The law also mentions the Department of Justice.

**So what we’re really talking about here is a national exchange system with 50 state portals** all complying with thousands of pages of federal rules and all directly connected with the federal government. *(see handout w/diagram)*

According to Politico, **31 states** have not enacted a law to implement the exchange. *(poster)* Since there are no penalties and feds have recently extended funding and implementation deadlines, why comply? Why help build a national health care system? Why give up state power?

Sen. Lourey is correct. Minnesota does lead in health care.

This time, Minnesota should lead by refusing to follow the feds. The Minnesota legislature should not deceive the Minnesota people by agreeing to install the federal Minnesota designer-labeled smokescreen. Minnesota should stand by its 10th Amendment rights and refuse to comply with the federal takeover of health care. Minnesota knows how to lead in health care. This is not the time to follow.

We ask you to lead by opposing this bill.

Thank you.