The Glitch Gives Power to States

The administration says there’s a glitch in Obamacare. The law says tax credits and premium subsidies to purchase insurance can only be issued by state-run exchanges. But 18 states have refused to build the exchange. So the IRS said this limitation is a glitch in the law and wrote a rule allowing the federally-run exchange to issue credits and subsidies.

Not so fast, say experts at Cato Institute. Their report shows Congress intended the law to allow tax credits and subsidies only from state-run exchanges. It wasn’t a glitch, it was an unsuccessful plan to force Governors to build exchanges. And now the so-called glitch is law, giving more power to the states.