

By Columnist Dick Morris



President Obama's program of misleading the American people continued today when he proposed allowing insurance companies to rescind cancellations of insurance policies for a year.

His proposal is a way to have his cake and eat it too.

By leaving it up to the insurance companies to decide on whether or not to cancel, he clearly knows and hopes that they will proceed with the cancellations.

He thinks they will because, obviously, they make more money if they force people into higher premium ObamaCare plans than if they renew the lower premium private coverage now in force. In addition, insurance companies will not want to go through the administrative hassles and unreimbursed costs of backtracking on cancellations that may now be several months old.

Obama wants the cancellations to stand. The more cancellations, the more people will have to enroll in ObamaCare at the exchanges. It would be the only way they could continue health insurance. Now that voluntary enrollments are lagging so badly, his only hope for decent participation levels is to cancel tens of millions of policies and force people onto ObamaCare.

He is also making a skillful political maneuver to make the insurance companies take the hit for cancellations by giving them the option of not proceeding with them. Now, he can escape voter anger for cancellations and blame them on the insurance companies — a populist posture with which he is familiar and loves to assume.

He hopes that free market Republicans will agree that the government must not tell companies that they cannot cancel policies. He hopes that insurance company influence stops the GOP from embracing that position.

He may be right. The legislation introduced by Congressman Fred Upton has the same flaw as the Obama Plan in that it provides that insurance carriers “may” renew policies that don't meet ObamaCare standards.

What is needed is the Landrieu bill which requires insurance companies to rescind the cancellations.

This entire controversy is going to be revisited next year when employer plans begin to fall to cancellation. All the fixes — Obama's, Upton's, and Landrieu's — all extend only to individual policies. But while about ten million individual policies are likely to be cancelled (five million already have bitten the dust), estimates suggest that an additional 20-40 million policies will be cancelled by employers, primarily by small businesses that are not required to provide coverage.

The precedent we are setting now on individual policies will guide how we handle the employer policies when they come due.

If we can stop those cancellations, nobody will sign up for ObamaCare and the program will quickly become virtually vestigial.