

Obamacare Includes a Hidden New Death Tax

California, naturally, is one of the states that bought into the Medicaid expansion under Obamacare. In my lovely state the program is called MediCal. It turns out that Obamacare includes a hidden new death tax.

Here's the short version:

1. Expand Medicaid enrollment. (About 1/3 of California residents are now covered under MediCal.)
2. Realize that state law requires asset recovery after a MediCal recipient dies. In many cases this will wipe out any inheritance.
3. Scramble to change the law.

From the San Jose Mercury-News story:

California is one of 10 states that recover a broad array of costs from recipients of Medicaid, the health program for the poor that is called Medi-Cal in California. The policy applies to recipients 55 and older – and only after they die.

The seizure of assets has been going on for years but has suddenly become a heated issue since millions of low-income American adults began enrolling in the expanded Medicaid program created by the Affordable Care Act, commonly known as "Obamacare."

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One of the Medi-Cal recipients is Campbell resident Anne-Louise Vernon, 59. She contends that California's aggressive cost-recovery program is unjust because people whose higher income levels allow them to get subsidized private health insurance through the new Obamacare health care exchanges don't have to pay back anything.

Vernon said she requires constant medical care because of severe nerve damage in her arms and arthritis in her legs –conditions that have prevented her from finding a job. The divorced mother of two said her home is her only real asset.

Medi-Cal, she said, has now essentially imposed a "reverse mortgage" on her home in exchange for health insurance.

"What is fair about that?" asked Vernon.

Fair? There is absolutely nothing fair about Obamacare. Pleadings like Ms. Vernon's are, frankly, silly. There's no such thing as a free lunch. I despair of people ever understanding the meaning of that phrase.

And you wonder why this once-golden state is in such a mess. The legislature can't even anticipate obvious problems like this.