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Obama: Healthcare Reform Essential to Repairing Economy

Republicans and Other Conservatives Say "Obamacare" Will Make Things Worse

By **Morgan Phelps**

The debate over so-called healthcare reform rages on as President Obama pushes his comprehensive plan. According to a report in the [Washington Post](#) Obama - in his weekly radio address today - is putting pressure on Democrats in the Legislature to pass sweeping reforms to the American healthcare system saying that a better opportunity to "fix" the healthcare system in the US may not arise again for generations. The Democrats and the President are facing a serious backlash from conservatives who say that Democrat plans are too costly, overreaching, and ineffective - which Obama says is simply not true. The President says that the major overhauls being proposed are necessary to avert financial disaster for families, small businesses, and the healthcare system at large, but the Congressional Budget Office and conservatives beg to differ.

Libertarian TV and radio personality [Glenn Beck](#) points out that the American system is better than the rest of the world's healthcare systems. According to Beck - in a monologue on his TV program on Fox News Channel on July 16 - Americans have a higher survival rate for 13 of the 16 most lethal cancers than anyone in the world. In fact he says that 51.1 percent of British men and 73.7 percent of French men diagnosed with prostate cancer survive it, but that 91.9 percent of American men live through the disease. Beck even reported that Italian Prime Minister Silvio Berlusconi came to America to have his heart surgery. "If that socialized medicine is so good", asks Beck "then why did he have his 2006 heart surgery at America's Cleveland Clinic, instead of staying at home?" [Michael D. Tanner](#) - senior fellow at the Cato Institute - may have an answer. In ***The Grass Is Not Always Greener: A Look at National Health Care Systems Around the World*** he says that Italy's system has consistently exceeded government cost forecasts. Tanner also says that "Conditions in Italy's public hospitals are considered substandard, particularly in the south. They lack not just modern technology, but basic goods and services; and overcrowding is widespread."

In a July 17 article, Washington Post staff writers [Lori Montgomery and Shailagh Murray](#) reported that the CBO has again presented Congress with startling numbers. Doug Elmendorf - director of the non-partisan CBO - told the Senate Budget Committee that not only do the proposed plans offered in the House of Representatives and the Senate do nothing to reign in the cost of healthcare, but that they actually are going to make things much worse. Elmendorf's testimony has galvanized Republican lawmakers' efforts to resist the costly overhaul plans being offered by Democrats and the President.

House Minority Leader John Boehner (R - Ohio) is quoted as saying of the CBO report proves that "one of the Democrats' chief talking points is pure fiction". Senate Minority Leader Mitch McConnell (R - Kentucky) says that the CBO report should give the President and Democratic lawmakers motivation to slow the process down. Senator Olympia Snowe (R - Maine) even delivered a message to the White House urging the President to back off his push for having a plan in place before the August recess. Snowe - who the President - has been aggressively courting to support his plan is urging him to ease the pressure to act in haste and seek more bipartisanship in the process.

When asked by Finance Committee Chairman Senator Kent Conrad (D - North Dakota) whether any of the plans - all of which were drafted with no Republican input - would be successful in reducing cost Elmendorf replied, "No, Mr. Chairman." (According to Montgomery and Murray) The CBO says that current proposals would add more than \$1 trillion in cost and only trim about \$500 billion dollars in cost - which ultimately means that there would be a half-of-one trillion dollars in net increases to costs. Elmendorf says that for any measure to truly be effective much more aggressive measures must be taken.

Those measures including revamping the current Medicare/Medicaid payment system to encourage cost controls, and taxing employer provided health benefits in order to pay for such measures. Conrad and other senators support such a tax according the Washington Post, but Republicans and even some Democrats are staunchly opposed to any such idea. House Democrats are offering - as an alternative to taxing health benefits - a proposal to add an income tax surtax of up to 5.4 percent based upon income to offset costs.

Even healthcare professionals remain divided on the issue. The Washington Post reporters Montgomery and Murray say that a growing number of physicians' organizations are opposing any reforms that will lead to a government run insurance program which will compete with private insurance plans. As many as 20 state medical associations are opposed to any such legislation in spite of an assurance from chief executive of the American Medical Association that he will "help build support" for the Democratic Plan.

Brian M. Riedl and Curtis S. Dubay of the Heritage foundation - a conservative think tank - say that the very idea of hiking taxes is counter-intuitive to the idea of saving money. In [web memo #2544](#) they say "This should finally put to rest President Obama's implausible claim that expanding government health care benefits will save money, since policies that save money do not typically require painful tax increases to offset their cost." They say that proposals to add anywhere from a one to 5.4 percent surtax to families and businesses making more than \$350 thousand dollars annually will drive the top tax brackets to among some of the

Takeaways

- President Obama wants health care legislation secured before August recess
- Fueled by dismal numbers from non-partisan CBO Republicans are opposed to his plan
- Experts say that "Obamacare" will bankrupt US

highest on the planet. Riedl and Dubay postulate in fact that top bracket earners in high tax state like California, New Jersey, and Oregon will be paying higher taxes than citizens of any industrialized nation other than Denmark.

Sources:

1. 07/18/09 article in [Washington Post](#)
 2. commentary on [Glenn Beck](#) on 07/16/2009.
 3. [Michael D. Tanner](#) of the Cato Institute.
 4. Washinton Post [Lori Montgomery and Shailagh Murray](#) 07/17/2009.
 5. Brian Riedl and Curtis S. Dubay of Heritage Foundation [web memo #2544](#).
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