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Health Care Arena

An ongoing discussion on the health care debate

Nov. 19, 2009

Driving the Conversation:

Arena Ref: [Fred Barbash](#)

The Reid gambit: health care "holy war?"

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According to the Chamber of Commerce polls, strong majorities in every state they polled believe the health care bills will increase the deficit. In this case the public's cynical instincts are almost certain to be more accurate than the computer models of the CBO. As David Dickson of the Washington Times reviewed [yesterday](#), government health care programs have a history of cost overruns.

And not small overruns, like overdrawing your checking account -- massive, order-of-magnitude cost overruns. Is that because politicians intentionally overstate the benefits and underestimate the costs of their proposals? Or just that computer models aren't very good at predicting how entitlements programs change behavior? Either way, just look at the record: In 1967, the House Ways and Means Committee said the entire Medicare program would cost \$12 billion in 1990. The actual cost in 1990 was \$98 billion. In 1987, Congress projected that Medicaid would make special relief payments to hospitals of less than \$1 billion in 1992. The actual cost, just five years after the projection, was \$17 billion. Similarly, Medicare's home care benefit was projected in 1988 to cost \$4 billion in 1993, but the actual cost -- again, just five years after the projection -- was \$10 billion.

The government is running a trillion-dollar annual deficit already, and Congress and the president propose to create a new program that promises to cover millions more people with

health insurance, drag currently insured people onto government programs, and save billions of dollars in the process. No wonder levels of trust in government are at record lows.

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