Obamacare Cure Is Worse Than the Disease

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I hate to say "I told you so," but I did.

Conservatives, including many who *mocked* my warning that fixing Obamacare would be a disaster, are joining the chorus today.

Back in January, I quoted a health care policy expert who said, "The train is rushing down the tracks toward the cliff." Today, the Cato Institute's Michael F. Cannon writes, "This bill is a train wreck waiting to happen."

"It feels like Bush's Social Security all over again," one source told me back in January. Today, Bill Kristol observed that the "Last time a major legislative initiative was unveiled with so little effort to prepare the battlefield: Bush Social Security reform in 2005."

Back in January, the Washington Examiner's Philip Klein was none too pleased with my pessimistic prognosis. Today, he is conceding that "Liberals… have won the central philosophical argument, and Republicans are reduced to fighting over the mechanics."

I wonder where he got that? From me. As I wrote, "No matter the fate of the Affordable Care Act, former President Barack Obama already accomplished a huge legacy-guaranteeing paradigm shift: It is now understood that it is the federal government's job to make sure everyone has access to health care insurance."

This is not about me gloating (okay, not only about me gloating). What Philip is correct about is that the fundamental problem with fixing Obamacare is that we have already accepted the premise that healthcare is an entitlement. We can argue about whether that's a good or a bad thing, but once that premise is accepted (and President Trump seems to accept it), I think

debating it is a moot point. Now you are stuck with trying to fix what is broken. And then, if you say you're repealing Obamacare (when you're really creating Obamacare-Lite), you own it.

The current plan (and it hasn't even gone to committee for markup yet) keeps the provision covering people with pre-existing conditions, but ends the individual mandate. This, alone, should sound alarm bells: You can't stop sick people from signing up, *and* you can't make healthy people sign up.

Refundable tax credits are also included, which means that people who do not currently pay any income taxes will be given free money as an incentive and a means to obtain coverage.

It's hard to see how a governmental handout is a preferable "free market" solution, and it's also hard to see why a healthy young person would worry about paying for health-care coverage when his rebate would probably be around $2,000. Plus, he could always get covered after he's sick, right? (Of course, if he's under 26 years old, he can be on his parent's insurance—just like with Obamacare).

The other problem with this plan is that Republicans aren't pleasing anyone. For reasons described previously, free-market conservatives have little reason to support it. Moderate Republican Senators fear rolling back Medicaid Expansion. Partisan Democrats will oppose it reflexively. And liberals should oppose it because it will probably cover fewer people than did Obamacare (though we won't know that for sure until the Congressional Budget Office scores it). Ultimately, you have a plan that pleases nobody, and was done almost solely because the GOP has been promising to do it for years.

Lastly, the GOP will now "own" health care, which means that whenever something goes wrong with your doctor or your prescription, you can (fairly or not) blame them. And make no mistake, things always go wrong. As Josh Barro noted, one provision would have the unintended consequence of incentivizing people with lapsed coverage to wait until they get sick before signing up.

As I wrote in January, "it's like a novice trying to solve a Rubik's Cube. Every conceivable scheme or solution creates new problems. None of them solve the problem because this problem is simply too complicated to 'solve.'"

The only real way to fix health care would be to pull up Obamacare (by its roots and branches) and create a true free-market system. But the effort and consequences of doing that would be counterproductive. We are now entrenched in a paradigm that suggests it is the government's responsibility to provide you with health care. And as has often been said, if the game is giving out stuff, it's hard for conservatives to win a bidding war with liberals.

It's easier to expurgate than to extirpate. This could get ugly.