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Not Much To Like

Posted 10/14/2010 06:44 PM ET

Health Care: Many promises were made about reform. Defenders swore it would improve the system. Critics guaranteed it would make things worse. So far, the critics are proving to be the best forecasters.

Add Regence Blue Shield to the list of insurance companies that will be significantly changing the way they do business due to ObamaCare. In notifying customers that rates will be going up, possibly tripling in some cases, Regence joins a growing group of insurers that are either dropping coverage, increasing premiums or getting out of the business.

The pattern started before the legislation began to take effect last month. In the spring, nHealth, a Virginia-based insurer, said it would have to close its doors by year-end because, in the words of its CEO, "new demands imposed by national health care reforms have made it challenging to sustain the level of sales required to remain viable over the long run."

Since then, at least eight insurers have announced they'll no longer sell new child-only policies because the law will make that market unprofitable. The White House, which will never admit that its ideas are making conditions worse, is considering letting insurers raise rates for covering children with profound medical problems.

Meanwhile, 30 companies and organizations have been exempted from a part of the legislation that would have forced them to drop coverage for their employees because it would cost too much.

If not for the waiver, hundreds of thousands of workers would have lost their coverage.

ObamaCare is also having a toxic effect on providers. The Association of American Medical Colleges projects a doctor shortage of 91,000 in just 10 years. Merritt, Hawkins & Associates, a physician search firm, estimates the shortage could be as high as 200,000.

Issues of cost are following a similar path. Duke University professor Christopher Conover has determined the costs of ObamaCare will carry far beyond just the spending on the program (which will be far higher than the \$940 billion estimated by its proponents).

In a study for the Cato Institute, Conover found that added taxes to fund the new law will cost the economy roughly \$550 billion in foregone output over 10 years.

And that's only if Congress doesn't borrow to pay for the program. If it does, the economic "deadweight loss" will be higher.

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10/15/2010 09:00:21 AM ET

Investing Tip

Distribution days can signal market top.



Hardly a day passes that we don't hear of some new pain that ObamaCare is inflicting. On Thursday, Human Events' Connie Hair reported that starting Jan. 1, "more than 15,000 over-the-counter health care items will require a prescription."

This means patients will have to visit the doctor to get the tax-free reimbursements from their health savings and flexible spending accounts to buy the over-the-counter products.

The Joint Committee on Taxation says this provision will cost the 10 million people who have such accounts \$5 billion.

The public was opposed to the health reform Congress passed last spring, and now we're finding out why. It's a monstrosity.

There's hope, however: A federal judge in Florida ruled on Thursday that a constitutional challenge to ObamaCare can go forward.

As far as we're concerned, it can't go forward fast enough.

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Posted By: Cayuse(125) on 10/15/2010 | 7:41 AM ET

Note To Eds: Great report! But more data needed. 1) "more than 15,000 over-the-counter..." Examples? 2) "Joint committee...says...cost to 10M people is 5B." That's \$500 per, but over what time period? 3) Federal judge in FLA ruled constitutional challenge can proceed. Please name case so we can Google same.... Many thanks!

Posted By: Patriotdoc(1335) on 10/15/2010 | 1:40 AM ET

If ObamaCare is left in place, the next 3 years will see insurance companies go under, or become government agents to administrate ObamaCare's ultimate goal, single payer, gov't run health care, from cradle to early grave. The Fabian Socialists are salivating at the prospect of imposing something like Zeke Emanuel's "complete lives system," where the elderly, disabled and very young are expendable, and worth little to the "good of the community." ObamaCare must be completely eradicated.

Posted By: Chuck on the Right Side(15) on 10/14/2010 | 10:59 PM ET

The Rev. Jeremiah was correct, the "chickens are coming home to roost" but it's not what he was referring to, it is that the excesses of ObamaCare are coming back to bite the hand that fed them with overblown promises and outright lies. Liar, liar pants on fire.

Posted By: a rightist Jim(70) on 10/14/2010 | 10:22 PM ET

Let's just hope that after Nov 2 there will be sufficient votes to repeal Obama's health care. It is just too convoluted and complex to fix. Throw the whole thing out and start over to do it right, one thing at a time.

Posted By: czarrboro(1100) on 10/14/2010 | 10:18 PM ET

Told ya so! Are you listening yet, PBO? It's OK, we'll make Nov 2 2010 and 2012 as painless as possible.



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