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Sunday, Nov. 21, 2010

Business on Obamacare: Resist, Don't Repeal

By Steven Gray / Washington

Congressional Republicans are touting plans to repeal the Obama Administration's health care reform law, but they face wariness for a full rollback from a key constituency: the business lobby.

In the weeks before the midterm elections, many Republicans used the health care law to tap into anti-government sentiment and angst about the economy. In their Pledge to America, Republican candidates committed to "repeal and replace the government takeover of health care" by any means necessary. Even John Boehner, the incoming House Speaker, filed a brief on Nov. 16 in support of a lawsuit filed by 20 states challenging the constitutionality of a central part of the new law that requires individuals to purchase health insurance. "ObamaCare is a jobkiller, and our economy simply cannot afford this unprecedented, unconstitutional power grab by the federal government," Boehner said in a statement. ([See five truths about health care.](#))

But few in the business community want to embark on the grueling process of seeking a full repeal of health care reform, because they believe it will ultimately fail. Even if a repeal effort passed the Republican-led House, it would be certain to die in a Senate still dominated by Democrats. And if repeal legislation miraculously survived the Senate, President Obama would never sign it. The more viable strategy, business believes, is to try to tweak or eliminate key parts of the law. James Gelfand, the U.S. Chamber of Commerce's director of health policy, says of the new law, "We'd like it to go away. But we're business people, and we're pragmatic."

The Big Business game plan is moving forward on several key fronts. The first strike is likely to come on the provision of the law requiring businesses to file 1099 tax forms on any individual or business with which it incurs an expense of more than \$600 over the course of a year, starting in 2012. Small-business owners, in particular, warn that the requirement will overwhelm them with paperwork — and, consequently, stymie job creation and economic growth. Last week, a senior Democrat, Senator Max Baucus, announced plans to file legislation repealing the 1099 portion of the law. Second, business groups will focus on new restrictions on how much individuals can deduct on nonprescription drugs, like Tylenol, using flexible spending accounts. ([See pictures of President Obama signing the health care bill.](#))

The business community also plans to fight new regulations that would fully implement health reform. On Nov. 17, the U.S. Chamber of Commerce's CEO, Tom Donohue, challenged what the organization calls a "regulatory tsunami" by the government, including the one created by health care. As the health care law is implemented in the coming years, the chamber predicts it will create 183 new agencies, commissions and panels. While the new law sharply expands Americans' access to health care, critics warn of the cost: a CATO Institute report claims that the law will increase taxes by nearly \$670 billion in the coming decade. "We've never seen anything on this scale before," Donohue said, adding, "It defies all logic and common sense." The chamber will hire a regulatory economist and encourage its internal law firm to take a more activist posture in fighting increased regulation.

The last prong of the attack will come in congressional oversight. In the coming weeks, Republicans are expected to hold hearings on what has happened with the health care law. That may look good for the television cameras and generate headlines. It will also test the public's willingness to go further with a broader legislative rollback of the law.

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