

## Obamacare: More vulnerable than supporters care to admit

By: Michael Cannon – March 21, 2013

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Three years ago today, the House of Representatives passed the Patient Protection and Affordable Care Act, ensuring that President Obama's signature domestic initiative would become law. Yet "Obamacare" faced intense public opposition from the start, and its numbers have not improved with time.

Since taking control of the House in 2011, Republicans have voted 33 times to repeal some or all of the law. House Speaker John Boehner (R-OH) promises to hold another repeal vote in the coming months. House Budget Committee Chairman Paul Ryan (R-WI) again included repeal in his latest budget blueprint. Freshman Sen. Ted Cruz (R-TX) is leading the charge for defunding and repealing the law in the Senate. Supporters deride these efforts as futile. After all, Democrats control both the Senate and the White House.

Even so, this law remains more vulnerable than supporters care to admit. Later this year, discontent with the law could push even vulnerable Democratic senators to call for repeal or major revisions, rather than watch their careers go down with Obamacare.

This year, millions of Americans will experience sticker shock when they see how Obamacare will impact their health insurance premiums in 2014. Sticker shock is what caused seniors to rebel against the Medicare Catastrophic Act of 1988. Congress repealed that law in 1989.

Neutral observers and even supporters of the law project some individuals and small businesses will see their premiums double. A survey of insurers reports some consumers will see their premiums *triple*. Supporters believe tax credits and subsidies will leave consumers numb to these higher premiums. But the American Academy of Actuaries estimates millions of Americans — including 80 percent of twentysomethings and a third of those 30 and older who purchase their own coverage — will pay more even after the subsidies. The insurance industry has launched a public relations effort to convey these premium hikes are the law's fault, not theirs. Even supporters like Democratic strategist Donna Brazile have experienced a rude awakening.

Nor will consumers be happy when they go to purchase their mandatory insurance later this year.

In theory, Obamacare creates a new entitlement program where tens of millions of Americans can choose a taxpayer-subsidized health plan through the website of a government agency called an "exchange."

Earlier this month, however, HHS admitted it is developing contingency plans because exchanges may not be functional by the October 1 deadline. One HHS official told an industry gathering, “We are under 200 days from open enrollment, and I’m pretty nervous.” He added: “The time for debating ... is it a world-class user experience, that’s what we used to talk about two years ago. Let’s just make sure it’s not a third-world experience.” At a minimum, that argues for delaying implementation.

Even supporters complain the process of applying for subsidized coverage, which includes a 15-page application, is “enormously time consuming and complex.” The media report the process “could be as daunting as doing your taxes” and “run[s] counter to the vision of simplicity promoted by administration officials.” The resulting chaos and frustration would only add to public discontent.

But the surest sign that Obamacare remains vulnerable is that the Obama administration is violating its own statute, congressional intent, and even a Supreme Court ruling in order to save the law.

In “50 Vetoes,” a study released today by the Cato Institute, I explain the administration is so afraid of a sticker-shock fueled backlash that it is preparing to spend more than \$600 billion that Congress never authorized to numb consumers to the costs of this law. Along the way, the administration will impose roughly \$100 billion in illegal taxes on employers and individuals (including some legal immigrants below the poverty level), and deny millions of individuals the right to purchase low-cost “catastrophic plans.”

To cement the law’s Medicaid expansion in place, the administration is also violating the Supreme Court’s ruling in *NFIB v. Sebelius*. The Court prohibited the federal government from coercing states into implementing the expansion. Yet HHS is still threatening every state with the loss of all federal Medicaid funds if they fail to implement parts of the expansion. These are not the actions of an administration that feels its health care law is secure.

Finally, supporters forget that President Obama and congressional Republicans have already repealed important parts of the law, including Obamacare’s third entitlement program — a long-term care program known as the CLASS Act, repealed as part of the “fiscal cliff” deal. President Obama is already repealing his law one provision at a time.

Obamacare supporters may scoff at repeal. But if vulnerable Democratic senators start hearing from their constituents about the chaos and sticker shock they experience later this year, the scoffing will cease.