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OPINION

House Dems Hide Cost Of Health Plan

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House Democrats are scrambling to come up with tax increases or other means of paying for their \$1.2 trillion medical insurance plan. Yet the legislation they're trying to cram through Congress is even costlier than they'd have you believe.

The nonpartisan Congressional Budget Office estimates that the House Democrats' legislation would spend \$1.2 trillion over the next 10 years. Yet that cost estimate is based on a tried-and-true budget gimmick that members of Congress use to hide how much of your money they want to spend.

In reality, the Democrats' health care bill is at least 50% more expensive than the \$1.2 trillion estimate suggests.

President Obama and his fellow partisans want the federal government to guarantee medical insurance coverage to all Americans. According to estimates by the left-leaning Urban Institute, providing health insurance to all of the uninsured would cost just under \$2 trillion over the next 10 years.

And that's a minimum. Since any conceivable change would end up subsidizing some people who already have coverage, the cost would be a good bit higher.

So how can congressional Democrats claim their health care plan would cover all — or even most — of the uninsured for just \$1.2 trillion? Easy — they're hiding the cost.

When budgeting how it will spend your money, Congress looks out across a 10-year budget window. The current budget window runs from 2010 to 2019.

A standard trick for making new government programs appear less expensive is to have them take effect not in the first year, but later in the budget window.

If Congress launches a \$100 million program in year one, its 10-year cost will be \$1 billion. If Congress launches the program in year six, the 10-year cost is just \$500 million. Delaying implementation just cut the cost of the program in half, right? Not quite. The program would still cost taxpayers \$100 million per year.

That budgetary gimmick lets Congress appear thrifty. Chris Dodd, D-Conn., acting chairman of the Senate Health, Education, Labor and Pensions Committee, recently said he was "very confident we can meet the president's goal of having a fully-paid-for 10-year program on health care right around \$1 trillion." Of course he can! Covering the uninsured costs \$2 trillion? Heck, we'll do it for half that price!

That's exactly what House Democrats have done with their medical plan. Of the \$1.2 trillion that the Congressional Budget Office estimates the legislation would cost between now and 2019, Democrats would spend only \$200 billion in the first five years, but \$1 trillion — more than 80% of the total — in the second five years.

The Senate Democrats' medical plan includes new government spending that wouldn't even ramp up until beyond the 10-year window.

If we assume the House Democrats' plan would take effect immediately, the 10-year price tag rises to more than \$1.7 trillion. That's still shy of \$2 trillion, because they're not actually covering everybody, and some of the spending is off the books.

Yet this demonstrates that the full cost of the legislation is at least 50% higher than the Democrats would have you believe.

Douglas Elmendorf, director of the Congressional Budget Office, testified last week before the Senate Budget Committee. "In the legislation that has been reported," he said, "we do not see the sort of fundamental changes that would be necessary to reduce the trajectory of federal health spending by a significant amount and, on the contrary, the legislation significantly expands the federal responsibility for health care costs."

Indeed, Democrats aren't reforming anything. They're just throwing more money at a broken health care sector. And they'd prefer you not

know how much.

- Cannon is director of health policy studies at the Cato Institute and co-author of "Healthy Competition: What's Holding Back Health Care and How to Free It."

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