

No Obamacare Slogan Is Going to Save Dems

Supporters of the law will never find a winning message for this fall.

By Michael Tanner

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Since the Republican victory in Florida's special congressional election last week, Democrats have been struggling with how to bear the electoral albatross that is Obamacare.

Having apparently decided that they cannot run away from the president's health-care law, and seeing their "mend it don't end it" strategy come up short in Florida, a growing number of pundits and strategists are now calling for Democrats to trumpet their support for the law.

For example, Democratic strategist Robert Shrum says, "Instead of running away from health reform, [Democrats] have to run on it." Alec MacGillis, a senior editor at *The New Republic*, claims, "What Democrats need this year is more Obamacare, not less." *Washington Post* columnist Eugene Washington agrees: "Democrats facing close elections this fall should play offense [and] . . . talk about what's right with Obamacare."

Which raises the question, what exactly is "right with Obamacare?"

Universal coverage? Robinson says Democrats "should talk about the millions of formerly uninsured Americans who now have coverage." Except that there aren't as many of them as you'd think: According to a recent Gallup survey, there were roughly 41.3 million uninsured Americans as of October 1, 2013, when sign-ups for Obamacare began. Since then, roughly 2.8 million Americans found insurance, the survey suggests, reducing the uninsured rate from 17.1 percent to 15.9 percent of American adults. That's far from universal coverage. In fact, it's still a bigger share of Americans uninsured than before Obama was elected. Much of that recent progress is likely due to factors besides Obamacare, such as the ongoing economic recovery.

Consider another set of figures: The administration claims that roughly 5 million Americans have signed up for insurance through Obamacare exchanges. That means that if the administration gets really, really lucky over the next twelve days, it might meet its already reduced goal of 6 million enrollments.

But that 5 million number doesn't tell the whole story: Estimates suggest that only 80 percent of those who have picked a plan have actually paid their first month's premiums. An additional 3 to 5 percent paid once, but then stopped. Moreover, there is considerable doubt about how many of those signing up through the exchanges were previously uninsured, as opposed to people voluntarily or involuntarily switching plans. According to a report from McKinsey, just 27

percent of those signing up in February were uninsured during the previous year. That's an improvement over previous surveys, when the rate was only 11 percent, but if that's true across all the sign-ups, it still suggests that only about 1 million people have gained private insurance because of Obamacare. Worse, just half of the previously uninsured have actually paid their first month's premium, meaning that we could have as few as 500,000 newly insured.

On the other hand, even the White House admits, at last count, that at least half a million Americans lost their insurance because of Obamacare and were not able to find an affordable replacement.

Now there's a slogan for Democrats to run on: "We're spending \$41 billion of your money this year and we've insured as many people as we've uninsured."

Maybe instead the Democrats can brag about the 6 million Americans that they've signed up for Medicaid since October. Except that . . . the best estimates suggest only about 1.1 million to 1.8 million of those were new enrollees. But, hey, signing up more than a million people for costly, poor-quality insurance is better than nothing.

Then again, maybe it isn't. Evidence from Oregon's random assignment study of Medicaid enrollees suggests that being in Medicaid provides virtually no improvement in physical health outcomes. It does increase emergency-room utilization, thereby helping to drive up costs.

On a related issue, Democrats can't claim that Obamacare is lowering health-care costs, either. True, the overall rise in health-care costs has moderated in recent years. It is even possible that some Obamacare provisions, such as incentives to reduce hospital readmissions, may have contributed to this stabilization. But the slowdown began as early as 2003, well before Obamacare even passed, and has been almost flat since 2009.

More important for consumers, the stabilization of health-care costs has not been reflected in insurance premiums. According to a report from Morgan Stanley, premiums for plans renewed in December 2013 rose in excess of 6 percent in the small-group market and 9 percent in the individual market. That's two to three times faster than in previous years. The news is even worse in some states, because of the way Obamacare will mandate new services: Connecticut is expected to see a 37 percent increase in individual premiums this year, while Florida expects a 42 percent hike, and Michigan, where there is a tight Senate race, is looking at a 39 percent spike. Michigan can also expect a 30 percent increase in small-group premiums. That looks good compared with nearby Minnesota, which could see a 50 percent hike.

Perhaps Representative Gary Peters, the likely Democratic candidate in Michigan, can run on "Obamacare, at least it's worse in Minnesota."

Maybe Democrats could talk about how Obamacare will help the economy. Of course, there is that CBO report that says the health-care law will reduce the labor force by the equivalent of 2.5 million full-time workers by 2024 and account for about 16 percent of the reduction in GDP growth estimates over that time. But the Democrats already tried the slogan "We're the party that will let you quit your job to write poetry." It didn't work so well.

One supposes that Democrats have little choice but to try to find the silver lining somewhere in the dark cloud that is Obamacare. But with each passing day, it is looking more and more like Democrats might as well campaign this fall on the slogan: "Obamacare: We blew it."

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