NATIONAL REVIEW ONLINE

Putting Lipstick on the Obamacare Pig

Even formerly enthusiastic Democrats now predict a "train wreck."

By: John Fund – April 21, 2013

The Department of Health and Human Services has just handed out a $3.1 million PR contract to improve the public image of Obamacare. *Advertising Age* reports that the firm Weber Shandwick will help "roll out a campaign to convince skeptical — or simply confused — Americans the Affordable Care Act is good for them and convince them to enroll in a health plan."

Obama officials insist the ads won't be political, but critics recall that just before the 2010 midterm election, HHS spent $3.2 million on "educational" TV ads praising Obamacare. The spots featured the late actor Andy Griffith, a favorite of seniors, who told his fellow retirees that "more good things are coming" from Medicare. But FactCheck, a nonpartisan project of the Annenberg Public Policy Center, noted that the ads made no mention of the dramatic cuts to 10 million Medicare Advantage recipients, who are likely to see their privately managed care scaled back. "The words in this ad ring hollow, and the promise that 'benefits will remain the same' is just as fictional as the town of Mayberry was when Griffith played the local sheriff," FactCheck concluded in July 2010.

Indeed, the facts today are that Obamacare remains as unpopular now as when it was passed in 2010, and Democrats are increasingly worried it will return to haunt them in the midterm election next year, the first to take place after the stepped-up implementation of the law. Reporters at the Cook Political Report, a respected Washington watcher of election trends, noted this month that "almost all" of the Democratic insiders they talked to "voiced concern about the potential for the issue to hurt Democrats in 2014." At no point since its passage has Obamacare been viewed favorably by more than 45 percent of voters, and the latest Kaiser Family Health Foundation poll pegs its nationwide support at only 37 percent.

The administration is already preparing its excuses if insurance premiums skyrocket next year and parts of Obamacare miss key start dates. HHS secretary Kathleen Sebelius complained this month that "no one fully anticipated" the difficulties involved in setting up Obamacare. She blamed obstructionist Republicans for engaging in "state-by-state political battles" to slow down the creation of health-care exchanges.

But many of her fellow Democrats aren't exactly following her line. West Virginia senator Jay Rockefeller, one of the main architects of Obamacare, calls the bill "probably the most complex piece of legislation ever passed by the United States Congress." Referring to the implementation of the bill, he says, "If it isn't done right the first time, it will just simply get worse."

Senate Finance chairman Max Baucus of Montana has an even gloomier assessment. “I just see a huge train wreck coming down,” he told Sebelius in a hearing last week. “When I’m home, small businesses have no idea what to do, what to expect, they don’t know what affordability rules are, they don’t know what penalties may apply. They just don’t know.”

Some backers of Obamacare are even jumping ship completely. Kinsey Robinson, the president of the 22,000-member United Union of Roofers, issued a public statement last week calling for “repeal or complete reform of the Affordable Care Act.” He explained that his union’s “concerns over certain provisions in the ACA have not been addressed, or in some instances, [have been] totally ignored.” Many of the bill’s quickly drafted provisions, he added, “are inconsistent with the promise that those who were satisfied with their employer-sponsored coverage could keep it.”

The train wreck that Senator Baucus foresees could push young people into “rate shock” as their premiums increase to subsidize care for older Americans. Obamacare’s “community rating” rules and benefit mandates might prompt employers to drop coverage or avoid hiring new employees. “I talk with a lot of businesses that are thinking of self-insuring or finding any loophole they can to avoid the most onerous parts of Obamacare,” says pollster Scott Rasmussen. A study last month by the Society of Actuaries predicted that medical claims per policyholder will rise by 32 percent in the individual plans offered by Obamacare’s health-care exchanges. In some states, the increase could be as much as 80 percent.

The Obama administration is preparing for the worst. Michael Cannon of the Cato Institutereports that it is getting ready to spend $600 billion that Congress never authorized on federally run state exchanges in order to ease any sticker shock for consumers. But that may not be nearly enough.

Henry Chao, deputy chief information officer at the Centers for Medicare and Medicaid Services, admitted his doubts to a group of health-care executives recently. “We are under 200 days from open enrollment [in Obamacare], and I’m pretty nervous,” he said. “The time for debating . . . is it a world-class experience, that’s what we used to talk about two years ago. Let’s just make sure it’s not a third-world experience.”

Such comments must send spasms of fear down the spines of several red-state Democratic senators who will be up for reelection for the first time since they voted for Obamacare in 2010 — Mary Landrieu of Louisiana, Mark Begich of Alaska, and Mark Pryor of Arkansas among them. They and other Democrats in the Senate have already voted to repeal key portions of Obamacare, such as the CLASS Act long-term-care program, and the Senate also passed a nonbinding resolution to oppose the tax on medical devices.

Don’t be surprised if many Democrats in Congress join with Republicans later this year in calling for a one-year moratorium on the implementation of Obamacare. There’s even a chance the Obama administration will join them if the behind-the-scenes chaos at HHS gets bad enough. That wouldn’t be the kind of bipartisanship deal the establishment media has been calling for lately, but it might just be one of the most popular moves Washington could make.