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MEGAN McARDLE

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Is Health Care Reform Falling Apart?

13 Oct 2009 12:21 pm

Michael Cannon [asks](#) whether health care reform is doomed. Democrats entertained a bunch of vague fantasies about some giant pool of money materializing from somewhere to close the gaps in the budget. It hasn't, so they're stuck with, as Cannon points out, taxing Democrats:

- Sen. Jay Rockefeller (D-WV) is the biggest [opponent](#) of Sen. Max Baucus' (D-MT) tax on expensive health plans because that tax would hit West Virginia coal miners.
- Unions vigorously [oppose](#) that tax because it would hit their members.
- Moderate Democrats in the House [oppose](#) Rep. Charlie Rangel's (D-NY) supposed "millionaires surtax" because they know it would hit small businesses in their districts.

Cannon says:

Once the shooting starts, industry opposition will sway even Democratic members, because there are physicians and hospitals and employers and insurance-industry employees in every state and congressional district.

Can President Obama and the congressional leadership satisfy both groups? My guess is, probably not, and this misguided effort at "reform" will therefore die. Again.

That's a bold prediction. I'm skeptical. I think it is more likely is that this thing passes, and fails spectacularly. There are too many moving parts, and if any of them breaks, the whole thing rapidly starts to spin out of control and eat a gigantic hole in the deficit. If it does break, I think that Democrats keep control of Congress just long enough to explain why they keep having to enact whopping new tax increases every few years. Republicans don't need to improve their message. They just have to wait for Democrats to recover their reputation as tax and spend politicians who woefully underpredict the cost of everything they propose.

Time will tell which one of us is right--if either. This is one time I'd be happy for my predictions to fail in both directions.

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The world's tallest female econoblogger delivers her opinions on economics, business, and other moral hazards

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