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Health Care Fraud

Posted 03/18/2010 06:59 PM ET

Health Reform: What did it take for Congress to schedule a vote on its awful health care reform package? Not much, just a phony low-ball "score" on what the plan would cost from the Congressional Budget Office.

By presenting the CBO with incomplete, inaccurate and misleading data, the Democrats in Congress were finally able to come up with a cost score they like: \$940 billion.

That's the estimate the CBO arrived at. Like a used car dealer pricing a car at \$9,999 instead of \$10,000, the hucksters in Congress were anxious to get the official cost below the scary \$1 trillion level at which things suddenly sound very unaffordable.

Using the rigged \$940 billion estimate, Democratic leaders now hope to force a health care bill through as early as Saturday, seizing 17% of the U.S. economy by simply "deeming" the bill is passed — rather than actually passing it in an up-or-down vote.

This is not democracy. Nor is it constitutional. And it will do real violence to the Democrats' promise to leave 72 hours to debate the health care bill's contents and to let the public see what's in it. Transparency? This is legislating through a glass, darkly.

But what really bothers us, as we've noted before, is the use of a phony cost estimate to justify it all. The \$940 billion figure the CBO came up with is almost wholly bogus. So is the laughable estimate that deficits will be cut by \$138 billion over a decade.

And the Democrats know it. That's why they're trying to pass this bill using questionable parliamentary maneuvers and outright trickery. Those who agree to this backroom scheme are part of a massive fraud perpetrated on the American people. As frauds, they should expect no sympathy from voters.

We can't blame the CBO. It can only produce a score, or cost estimate, at the behest of Congress based on the data it is given. As the saying goes in the tech world: Garbage in, garbage out. In this case, they were given 10 years of revenues, but only six years of costs. So of course the "cost" looks reasonable.

And even the CBO, in releasing what it made clear was an unofficial estimate, warned: "This estimate is ... preliminary, pending a review of the language of the reconciliation proposal ..." In short, they want no part of this farce.

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03/19/2010 11:00:23 AM ET

Investing Tip

Ignore analyst's predictions, the best indicator of the general market is the price and volume action of the main indexes themselves.



In fact, the real cost of this health care takeover is more like \$2.5 trillion over 10 years — not \$940 billion. That's off by, oh, 166%.

As Michael Cannon of the Cato Institute has noted, Congress' estimates carefully exclude the majority of the costs from the health care plan. Indeed, he notes, "the on-budget costs of the legislation probably account for only 40% of the total costs."

The other 60% comes from mandates on the private sector — that is taxes, mostly on you but also on businesses. Once reform is passed, you will by law have to buy health insurance — the first time the federal government has forced Americans to buy something with their own money. And premiums will go up.

And despite promises by President Obama of "cuts," total health care spending will still be \$210 billion higher in 10 years, CBO says.

But, you say, even if it costs \$250 billion a year, at least 31 million Americans without health insurance would get care, right? Not so fast. The CBO's own estimates say the legislation would still leave 24 million Americans without insurance after 10 years.

Worse, the CBO analysis ignores the well-established impact that higher taxes have on the economy and personal behavior.

When factored in, according to Heritage Foundation policy analyst Kathryn Nix, "These provisions would decrease investment in the economy, resulting in lower wages and growing the debt."

Heritage estimates health reform will add \$755 billion to our debt over 10 years, push annual interest payments up \$20 billion, add \$76 billion on average to the deficit and kill 690,000 jobs a year.

With reform like that, who needs health care?

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Posted By: koko58(30) on 3/19/2010 | 10:09 AM ET

The editorial overlooks an important fact. Who could have forgotten one of BHO's first scandalous actions: summoning Elmendorff to the WH!? CBO chief was set straight months ago and nothing critical has been reported by the CBO since. These estimates are all bogus. It double counts 'savings' and compares apples to oranges at the very least. Its assumptions on savings from fraud and waste are ridiculous and will NEVER materialize. If this thing passes, we are all sunk.

Posted By: BarrySchmidt(125) on 3/19/2010 | 7:58 AM ET

Yes, Patriotdoc, and it further illustrates the sheer lack of caring for the American people by one Mr. Obama, who has bought into screwy theories such as those presented by Zeke Emmanuel and Karl Marx. This country was not founded on Marxism or Socialism (are you listening, Barrack?); it was founded on religious prin**ls. How have we fallen so far, so fast? I didn't vote for these schemer activists, and it angers me that so many others did.

Posted By: Virginia Gentleman(135) on 3/19/2010 | 5:59 AM ET

The Congress long ago fell down the rabbit hole into Wonderland with their imperious exceptions of themselves from the implications of their legislation. This is only the recent and most egregious abuse of power. As the Red Queen said, "Sentence first, verdict afterwards." God save this republic!

Posted By: solar_spot(10) on 3/19/2010 | 1:09 AM ET

Why not have a vote in the House on whether or not to rush this through before it can be carefully analyzed? Let's see who wants to rush and who is in favor of a careful analysis of the final wording. Anything this complex and confusing should have a minimum of 30 days. Not all of us are speed readers. How long will it take the CBO to get from a preliminary score to a final one? The CBO should have to testify to the budget committees and answer questions.

Posted By: Truthful James(5) on 3/19/2010 | 1:01 AM ET

On top of every page in the CBO fable (pun intended) is the following caveat "Estimated effects on direct spending and revenues; based on draft legislative language and modifications discussed with staff." The last four words say it all. Not what is in the DRAFT but what is in the minds of Mme (Defarge) Pelosi's butter tongued staff. Knit away, dear, while the Republic is guillotined. Predictions over 2.5 Presidential terms and 5 Congresses are worthless.

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