



THE HEALTH CARE SPECTATOR

Hindsight No Longer 20/20

By Lucia Rafanelli on 7.14.11 @ 6:08AM

As recently as May, Mitt Romney refused to call his state health care legislation, Commonwealth Care, a mistake. When even the frontrunner for the Republican presidential nomination continues to defend an extensive government insurance program, it is far too easy for President Obama to stand by his own Patient Protection and Affordable Care Act.

Despite growing evidence to the contrary -- including a Congressional Budget Office presentation that calls into question the act's cost-cutting ability -- Democrats repeat claims that Obamacare will reduce health-care spending. But those arguments appear all the less radical alongside Romney's continued justification of Commonwealth Care.

From the start, one of the main selling points of Obamacare was that it would curb costs, benefitting the economy and cutting down on wasteful government spending. In 2008, President Obama said that cost-cutting would be the "starting point" of his attempt at health care legislation, and initial CBO reports that Obamacare would shave \$143 billion off the federal deficit made headlines.

But these same predictions of cost-cutting were made in Massachusetts about Romneycare -- and the current data suggests they were far from accurate.

Regarding his health care plan, Mitt Romney wrote in *The Wall Street Journal* in 2006, "Every uninsured citizen in Massachusetts will soon have affordable health insurance and the costs of health care will be reduced."

According to Devon Herrick of the National Center for Policy Analysis and the Heartland Institute, this claim was largely based on the thought "...that newly insured patients [in Massachusetts] would get care (including preventive care) in clinics and skip the emergency room."

This reduction in expensive ER visits was supposed to cut costs, but that never happened. "...costs are rising faster than thought. ER visits did not fall...and premiums are rising," Herrick elaborated.

Massachusetts' government expenditures on health care also increased under Romney. The CATO Institute reported that "public and private spending on health insurance have

accelerated" under Romneycare, and that the "total new spending" under the policy (conservatively) exceeded \$1 billion in 2008.

Romney, though, is unwilling to admit that these failures indicate an overall bad policy. Thus, Obama has little incentive to acknowledge that his healthcare law may exhibit similar failures or that this possibility should cause us to question its legitimacy. Romney has set a precedent of imperfect hindsight that Obama is only too happy to follow.

In fact, according to Michael F. Cannon, Director of Health Policy Studies at the Cato Institute, Obamacare will likely fail in the same way Romneycare did. Cannon said, "Romneycare supporters made phony-baloney claims that it would reduce health care costs, just as supporters of Obamacare are making phony-baloney claims that it will reduce health care costs."

Herrick, too, predicts that Obamacare will "cost far more" than Romney's plan did, because the national policy contains fewer restrictions on who can enter the public insurance exchange. He further points out that most of the forecasted savings due to Obamacare are slated to come from hundreds of billions in Medicare cuts that "that many politicians (and the Medicare Chief Actuary) know [will] likely not occur."

Even the CBO's position has begun to waver: In a 2010 presentation to the Institute of Medicine, CBO director Douglas W. Elmendorf said Obamacare "does not substantially diminish" the budgetary strain of growing health care costs. He further stated that a "sustainable" budget path "would almost certainly require a significant reduction in the growth of federal health spending relative to current law..."

Although Jonathan Gruber -- advisor to both Romney and Obama on health care -- has correctly stated that Obamacare contains cost-cutting provisions not found in its Massachusetts predecessor, Americans are by no means off the hook for footing a growing health care bill.

According to Cannon, these cost-cutting provisions are unlikely to be effective. They include pilot programs in Medicare, which he said would "fail like pilot programs always do in Medicare."

Cannon further stated that price control regulations implemented to curb costs will likely be repealed, that increased access to preventative care will not reduce costs as expected, and that Congress will reverse some of the funding cuts included in Obamacare.

The result? Cannon said that none of the provisions to which Gruber was referring will substantially reduce government health care spending or insurance costs.

In fact, insurance premiums are already starting to climb. In a June speech to the Heritage Foundation, Hal C. Scherz, MD called Obamacare's affordability claims a "myth", saying:

...we are seeing an explosion in costs resulting in everyone's health insurance rates rising. Even before the law has been fully implemented, we are seeing the results. Instead of costs for a family of four coming down by \$2,500 annually as promised by the President, they have shot up, on average, \$2,100.

The bottom line: By 2008 it was clear that Romneycare's promises of cost cutting were empty. But his refusal to admit this failure has opened the door for Obama and his advisors to make the same empty promises about an even more expensive, more encompassing, and more

constitutionally problematic national version of the plan.

Lucia Rafanelli *is an editorial intern at The American Spectator.*