

GOP's new Obamacare attack

By [Ernest Dumas](#)
November 20, 2014

It was inevitable. The long crusade against the Patient Protection and Affordable Care Act has pivoted from a battle against socialism to a populist war against big business: The program known as Obamacare is now supposed to be merely a feed trough for the captains of industry, not a government program to force health care on the undeserving poor.

Ronald Reagan's think tank, the Heritage Foundation, which actually designed the blueprint for the health care law known as Obamacare, issued a report in August claiming that the law reduced competition in the insurance and health care industries and encouraged monopolies, although the results in 2014 suggest just the opposite. Insurance companies rushed to get into the law's exchanges in the second year of their operation and compete to sell policies to individuals and small employers.

California's Cato Institute, the libertarian think tank that usually fortifies Republican policy on social and economic questions, chimed in that, thanks to Obamacare, the insurance industry and sinful government had developed a "symbiotic relationship, nurtured by tens of billions of dollars that flow from the federal Treasury to insurers each year." There is an element of truth in the charge (more about that in a minute), although Cato typically ignores the purpose and the biggest result of the law — the extension of health care and protections for tens of millions of Americans.

The New York Times this week reported that the insurance industry, which had joined Republicans in fighting the president and Congress over the law for four years, in alliance with Obama now helps protect the law from its enemies, the Republican Party.

The change in battle strategies has filtered down to the squad level. J. French Hill, the millionaire banker and investor who is the new congressman-elect from Arkansas's 2nd District, said in a glowing profile last week in his Catholic diocesan newspaper that the Affordable Care Act "is a \$2 trillion money machine that benefits hospitals and drug companies and hurts doctors and patients."

Who knew that President Obama was not a socialist, but a friend of the big corporations that seemed to be dedicated to his and his party's defeat? But Hill would be hard-pressed to prove his facts. The big pharmaceutical companies benefited hugely *not* from the Obama insurance reform of 2010, but from the Medicare drug law, passed by the Republican Congress and signed by President Bush in 2003 and implemented in 2006. By 2016 it will cost the government \$550 billion, most of it flowing into the coffers of Big Pharma.

The "money machine" that Hill says benefits the hospitals, like those run by Catholic institutions, is the money from insurers that pays for the care of the working poor, which until this year hospitals wrote off as charity and passed on to paying patients through higher bed fees.

Only a few months ago the evil of Obamacare was supposed to be that it was taking taxes paid by the rich and maybe even by you and paying hospitals and doctors for treating those who could not afford insurance.

The strategy for killing the Affordable Care Act had to change to deal with realities. The horrors of Obamacare that were advertised so universally in 2009 and 2010 as the law was being written never materialized. The elderly didn't see their Medicare benefits reduced but rather improved. Government didn't take over health care. People still see the doctor of their choice, and they jointly decide on treatment. No Republican in Congress — wait, maybe Tom Cotton — really thinks they should just repeal Obamacare.

So with the U. S. Supreme Court taking another shot at the law, owing to a clumsily worded section about the state exchanges, you need to give the justices some cover for killing it. They would be stopping a giant giveaway to greedy insurance and drug companies and hospitals.

The Obama-insurance alliance is ironic. It was America's Health Insurance Plans (AHIP), the big lobby for the insurance industry, aided by the U.S. Chamber of Commerce, that saturated Arkansas media in 2009 and 2010 with scary ads about how the plan would wipe out their insurance or subject them to government czars when they got sick. Massive support for universal health insurance in Arkansas reversed in six months. "Don't let the government take my Medicare," people cried at town hall meetings on Obamacare.

The insurance companies then were fighting the so-called "public option," the provision in the House bill that authorized the government to offer plans to compete with insurance company plans. But it was the Senate bill, which offered no government option, that became law. The companies also hated the law's consumer protections and the provisions that make them reimburse policyholders when they don't spend at least 80 to 85 percent of premiums on medical care. And the industry predicted that, because the tax penalties for those who do not get insured are so small, even with government subsidies, only the middle aged and the sick would buy insurance. They would be insuring only the costliest people.

They realized this year that they had been wrong on all counts. They're making money and now other insurers are getting into the market to compete for the business. Even Medicaid in the states that opted to cover low-income adults is a good profit center for the companies, particularly in Arkansas where private insurers are not merely contracting to administer reimbursements for the government as in other states, but also provide the insurance under Arkansas's private option.

By March, perhaps 350,000 Arkansans will be insured, most of them for the first time, and nearly everyone else will enjoy lifetime protection. Nationally, soaring medical and insurance inflation are moderating, the deficit is shrinking and, yes, even big business is enjoying Obamacare. We can't have that!

