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ObamaCare Could Cost Up To \$6 Trillion!

By [Daniel](#) at 2 December, 2009, 7:59 pm

According to Michael F. Cannon of the Cato Institute, Congressional Democrats are using several budget gimmicks to disguise the cost of their [health](#) care overhaul, claiming the House and Senate bills would cost only (!) about \$1 trillion over 10 years. Now that critics have begun to correct for those budget gimmicks, supporters of ObamaCare are firing back.

One gimmick makes the new entitlement spending appear smaller by not opening the spigot until late in the official 10-year [budget](#) window (2010–2019). Correcting for that gimmick in the Senate version, Sen. Judd Gregg (R-NH) estimates, “When all this new spending occurs” — i.e., from 2014 through 2023 — “this bill will cost \$2.5 trillion over that ten-year period.”

Another gimmick pushes much of the legislation’s costs off the federal budget and onto the private sector by requiring individuals and employers to purchase [health insurance](#). When the bills force somebody to pay \$10,000 to the government, the Congressional Budget Office treats that as a tax. When the government then hands that \$10,000 to private insurers, the CBO counts that as government spending. But when the bills achieve the exact same outcome by forcing somebody to pay \$10,000 directly to a private insurance company, it appears nowhere in the official CBO cost estimates — neither as federal revenues nor federal spending. That’s a sharp departure from how the CBO treated similar mandates in the Clinton health plan. And it hides maybe 60 percent of the legislation’s total costs. When I correct for that gimmick, it brings total costs to roughly \$2.5 trillion (i.e., \$1 trillion/0.4).

Here’s where things get really ugly. TPMDC’s Brian Beutler calls “the” \$2.5-trillion cost estimate a “doozy” of a “hysterical Republican whopper.” Not only is he incorrect, he doesn’t seem to realize that Gregg and I are correcting for different budget gimmicks; it’s just a coincidence that we happened to reach the same number.

When we correct for both gimmicks, counting both on- and off-budget [costs](#) over the

Petition www.HealthCareVoices.com first 10 years of implementation, the total cost of ObamaCare reaches — I'm so sorry about this — \$6.25 trillion. That's not a precise estimate. It's just far closer to the truth than President Obama and congressional Democrats want the debate to be.

Beutler and other supporters of ObamaCare can react to this news in two ways. They can continue to deny the enormous cost of the legislation they support. Or they can question how President Obama's health plan came to be so blessedly expensive, and how (and by whom) they were duped into thinking it wasn't.

<http://www.cato-at-liberty.org/2009/11/27/obamacares-cost-could-top-6-trillion/>

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