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Oct. 17, 2009

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Michael F. Cannon, Cato, Dir. of Health Policy Studies:

I'm not a fan of the House Democrats' proposed takeover of the health care sector. (If there's one thing that legislation is not, it's "**reform**.") But at least House Democrats **were honest enough** to include the cost of the **\$245 billion** bump in Medicare physician payments in their legislation, unlike **some committee chairmen** I could mention.

Unfortunately, House Democrats have since decided that **dishonesty is the better strategy**. They, like Senate Democrats, now **plan** to strip that additional Medicare spending out of health "reform" and enact it separately. (Democrats are already **trying** to **exempt** that spending from pay-as-you-go rules, making it easier for them to expand our **record federal deficits**.)

Why enact it separately? Because excising that spending from the "reform" legislation reduces the cost of health "reform"! But why stop there? Heck, enact all the new spending separately, and the cost of "reform" would plummet! Enact the new Medicaid spending separately, and the cost of "reform" would fall by **\$438 billion**! Do it with the subsidies to private health insurance companies, and the cost of "reform" would plunge by **\$773 billion**! All that would be left of "reform" would be tax increases and **Medicare payment cuts**.

Health "reform" would dramatically reduce federal deficits! Huzzah! Except it wouldn't, because at the end of the day Congress would be spending the same amount of money. The only good news may be this. If this dishonest budget gimmick succeeds, then Congress will have "fixed" Medicare's physician payments. Absent that "must pass" legislation, the Democrats health care takeover would lose momentum, and would have to stand on its own merit. That would be good for the Republic, though not for the legislation.

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