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On Its One-Year Anniversary, ObamaCare Gets an 'F'

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By Michael D. Tanner

This Wednesday will mark one year since enrollment in ObamaCare began. What began with the disastrous rollout of healthcare.gov has ended with the health law's supporters claiming victory.

It is true that some of the worst predictions have not yet come true. Yet. But in the last year we've also seen plenty of bad news for consumers, providers, employers and taxpayers.

A report card:

Earlier this month, Centers for Medicare & Medicaid Services director Marilyn Tavenner testified that roughly 7.3 million people signed up for insurance through the exchanges. That's down from early estimates of 8.1 million, because nearly 800,000 of those who initially enrolled have stopped or never paid their premiums. A bigger question is how many enrollees were previously insured and were just changing plans. Overall, the best estimates suggest that roughly 8 million people gained insurance under ObamaCare, but roughly half of those were enrolled in Medicaid (outside of the exchanges), which isn't really health care reform so much as adding people to government welfare. And it still leaves 41 million American adults uninsured. We spent billions to move the needle a tick.

Despite the president's assurances to the contrary, roughly 6 million Americans were kicked off their insurance because their plans failed to offer a lengthy-enough maternity stay, didn't provide sufficient drug and alcohol rehabilitation benefits or otherwise fell short of the insurance that federal bureaucrats thought that they should have. This includes more than 100,000 New Yorkers. Nearly all eventually found other insurance, but a new study from the National Center for Public Policy Research found that, on average, ObamaCare plans were worse than the plans they replaced, in terms of both providers covered and cost-sharing. A new wave of cancellations is about to begin as well. Those New Yorkers who managed to renew their noncompliant plans prior to the effective start date for ObamaCare last year should start receiving cancellation notices any day now. Some people may not even be able to keep the plans that replaced the plans they couldn't keep the first time. In several states, insurers have dropped plans that they offered on the exchanges or even withdrawn from the market altogether. And if that was not bad enough, Americans with employer-based insurance may find out their insurance has to be changed starting next year.

If judged against President Obama's promise that health care reform would save us all at least $2,500 through lower premiums, ObamaCare deserves an F. But premium increases have been less bad than expected, especially in states like New York that already had highly regulated insurance markets. Last year, New Yorkers in the individual market saw a reduction in their premiums, but only because the individual market was already in such terrible shape. In states where the individual market was not already dysfunctional, there were significant premium increases. This year, New Yorkers can expect premium increases averaging roughly 6 percent for individual plans and almost 7 percent for small business.

This summer the Congressional Budget Office announced that it had given up trying to score the cost of ObamaCare, given the frequency with which the administration was making unilateral changes to the law. Overall, some costs are lower because so many states have chosen not to expand Medicaid. On the other hand, roughly 85 percent of those enrolled through exchanges are receiving subsidies, higher than predicted. Overall, the best estimates suggest the law will cost $2.63 trillion over the next 10 years. That will be paid for by $1.38 trillion in new taxes and at least $1.25 trillion in additional debt.

Recently released surveys from Federal Reserve Banks in New York, Philadelphia and Atlanta confirmed that businesses are cutting employment and shifting workers to part-time positions because of ObamaCare. According to the New York Fed, 21 percent of manufacturers and 17 percent of service companies have reduced the size of their workforce because of the law. In addition, roughly 20 percent of both manufacturers and service companies said that they have shifted workers from full-time to part-time jobs. The New York survey also indicated that roughly a third of businesses were raising prices to offset some of the law's costs.

About the best thing that can be said about ObamaCare's first year is that it wasn't quite as bad as some critics predicted. But it isn't even close to what we were promised — and nowhere near a passing grade.

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