

# Obamacare won't deliver the goods

By Michael D. Tanner

Does President Obama have any idea what's in his own health-care reform law?

Since he signed the Patient Protection and Affordable Care Act a bit more than 100 days ago, the U.S. President has given a number of speeches and interviews in which he continues to say things that, well, just aren't so. Just last Friday, he told MSNBC's Chuck Todd the law "not only makes sure everybody has access to coverage but is reducing costs."

Wrong on both counts.

The bill doesn't come close to giving "everybody" access to coverage. According to the Congressional Budget Office, 10 years from now there will still be at least 21 million uninsured Americans. That's an improvement over today, but it's a far cry from the universal coverage that Obama once promised.

And nearly half of the newly covered aren't getting access to true health insurance but are being added to the Medicaid program, with all of its attendant problems of access and quality.

Indeed, access to health care may be about to get harder. The RAND Corporation reports that the new law may result in severe overcrowding and longer waits in emergency rooms.

Meanwhile, the Centers for Medicare and Medicaid Services warn that some of the mandated cuts in Medicare could result in the closing of up to 15% of U.S. hospitals.

We've already seen a near doubling in the waiting time to see a doctor under Massachusetts' universal health-care law, which is very similar to Obamacare.

Even further from reality is the President's continued insistence that the new law is "reducing costs." In fact, the administration's own chief health-care actuary reports the law will actually raise U.S. health-care spending by US\$311-billion over 10 years. This failure to control costs means it will add significantly to the already crushing burden of government spending, taxes and debt.

Accurately measured, the Patient Protection and Affordable Care Act will cost more than US\$2.7-trillion over its first 10 years of full operation and add more than US\$352-billion to the national debt. This doesn't even include more than US\$4.3-trillion in costs shifted to businesses, individuals and state governments.

Anyone who thinks their insurance premiums will be going down in the foreseeable future is going to be disappointed. The law does nothing to restrain the growth in insurance costs. In fact, the Congressional

Budget Office says premiums will double over the next six years, roughly the same rate of increase as would have occurred without health-care reform.

Some workers can actually expect higher premiums. For example, RAND says, younger and healthier Americans could see a rise of 17%. And the CBO says that workers who buy insurance on their own, rather than getting it via an employer, could see their premiums rise 13% faster than if the legislation had never passed.

Obama seems to have dropped one of his claims: the promise that if you have health insurance you like, you can keep it. Apparently, not even he could keep that one up with a straight face.

After all, just a couple of weeks ago, an internal memorandum leaked from the Obama Health and Human Services pointed out that more than two-thirds of companies could be forced to change their current coverage. For small businesses, the total could reach 80%.

Other reports have shown that seniors with Medicare Advantage and those workers with health-savings accounts are also likely to be forced out of their current plans. Even Americans whose plans are “grandfathered” under the law may still be forced to change coverage to a plan that meets government requirements if they make any material changes to their coverage.

*Michael Tanner is a senior fellow at Washington-based Cato Institute.*