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Obama’s Health Care Reform Still a Very Tough Sell

By MICHAEL TANNER on Jun 10, 2010

Apparently still convinced that just a bit more lipstick will make this pig look better, the Obama administration has launched yet another sales effort to try to convince voters that they really should like the health care reform bill that passed early this year.

The president himself kicked off the effort with a telecast town-hall meeting with seniors timed to coincide with the delivery of the first $250 checks providing rebates under the Medicare prescription drug program. Meanwhile, the DNC is launching a new 60-second television ad touting the program’s benefits, and Organizing for America, the administration’s grass-roots political arm, is holding events to promote the program.

But evidence suggests they have a very hard sell ahead.

The Obama administration—and many political pundits—expected that once the vitriolic debate had subsided and bill was law, it would become more popular. That is what happens with most government programs. But, the health care bill appears to actually have become less popular as time goes by. Moreover, while recent polls have split on whether voters want to repeal the bill, the most committed and likely voters are the most likely to support repeal.

Perhaps that’s because almost from the day the bill became law, there has been an unending torrent of bad news.
The ink was barely dry on President Barack Obama's signature before the RAND Corp. released a report concluding that, not only would the hard-won health care package fail to curb health insurance premium increases, but the bill itself would drive premiums for young people up as much as 17 percent.

And, there was the report by Richard Foster, the government's chief actuary released his report on the bill, showing that the bill will actually increase health care spending by $311 billion over 10 years. That has now been seconded by CBO director Douglas Elmendorf, who noted in his official blog, “The rising costs of health care will put tremendous pressure on the federal budget during the next few decades and beyond.... In CBO’s judgment, the health legislation enacted earlier this year does not substantially diminish that pressure. In fact, CBO estimated that the health legislation will increase the federal budgetary commitment to health care.”

As if that wasn’t bad enough, another report from CBO suggests that yet to be appropriated discretionary funds needed to implement the bill will likely exceed $105 billion over ten years, several times higher than originally estimated.
Foster also warned that the bill’s budgetary impact could be even worse than advertised since "The longer-term viability of the Medicare reductions [called for under the bill] is doubtful." Democrats should probably hope that is true because, according to Foster, those cuts could force as many as 15 percent of hospitals and other institutions out of business, "possibly jeopardizing access to care" for millions of Americans.

The non-budget news has been equally bad. Recent studies suggest that the taxes in the bill will likely end up costing middle-class workers and small businesses an extra $1,000 per year. A number of large employers, including AT&T, Verizon, and Caterpillar, have indicated that they are at least considering dropping their current employee coverage. Others are looking at ways to pass new health care costs onto their workers. Most recently, news reports suggest that more than a million part-time, seasonal, and low wage workers, who currently take advantage of low-cost, limited benefit plans, could lose their current coverage because it fails to meet the bill’s regulatory requirements. Some could be forced into Medicaid, while others would be forced to purchase much more expensive insurance than they have today.

And the Congressional Budget Office warns that nearly 4 million Americans, nearly three-quarters of them middle-class workers, will be hit with fines for failing to meet the government's mandate to buy insurance. Those penalties will average nearly $1,000 per person in 2016.

Even the bill's purported benefits are turning out to be less than advertised. One of the most hyped benefits was a requirement that insurers allow parents to keep their adult children on the parents' insurance until age 27. The Obama administration thought this proposal would be so popular that it browbeat insurance companies into starting the coverage even earlier than the bill required. However, employers have indicated that they will be reluctant to add dependent children to the coverage they provide, even if insurers offer it, until they are required to in January 2011. And, parents may not be rushing to sign their children up either. The department of HHS now estimates that every dependent added to a policy will increase premiums by $3,380 per year.

And on top of everything else, the president has nominated as the new director of the Centers for Medicare and Medicaid Services, Dr. Donald Berwick, an outspoken admirer of the British National Health Service and its rationing arm, the National Institute for Clinical Effectiveness (NICE). Merits of the nomination aside, Obamacare opponents couldn't have asked for a better foil than a single-payer advocate who denounces "the darkness of private enterprise," calls for greater "redistribution of wealth" within the health care system, and British style Health rationing.

All of this suggests that if the Obama administration is successful in changing public opinion about the health care bill, perhaps their next assignment could be making Americans learn to love BP. On second thought, BP might be an easier sell.

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