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Commentary

Obamacare promises already busted

Michael Tanner

The ink was barely dry on President Obama's signature before the RAND Corporation released a report concluding that not only would the hard-won health care package fail to curb premium increases, but the bill would drive premiums up as much as 17 percent for young people.

This should not have been a surprise: the Congressional Budget Office had already warned that the bill would do almost nothing to reduce future premium hikes. And when New York implemented the same time of insurance reforms in the 1980s, it led to a nearly \$500-per-year increase in premiums for young people. But somehow, the media didn't pay much attention.

And of course, back during the health care debate, no presidential speech was complete without a promise that "if you have health insurance today and you like it, you can keep it." But the Congressional Budget Office now says that as many as 10 million workers will lose their current insurance under the bill. Some of those will have to buy new insurance through the government-run exchanges. Millions more will be thrown onto Medicaid.

Advertisement In addition, the Center for Medicare and Medicaid Studies reports that half of seniors enrolled in the Medicare Advantage program will lose their coverage under that program and be forced back into traditional Medicare.

And how many times did President Obama criticize the United States for having the highest health care spending in the world? Well, the government's chief actuary released his report on the bill recently, showing that the bill will actually increase health care spending by \$311 billion over the next 10 years.

At the same time, the actuary warns that promised future spending cuts, particularly those for Medicare, are unlikely to occur.

"The longer-term viability of the Medicare reductions is doubtful," wrote Richard Foster, chief actuary of the Medicare and Medicaid systems. What cuts do occur could have a severe impact on the quality of health care. As many as 15 percent of hospitals and other institutions could be forced out of business, according to the report, "possibly jeopardizing access to care" for millions of Americans.

With spending going up and future savings likely to fall short of promises, we can expect higher deficits and, of course, higher taxes. The most recent estimates suggest that the taxes already in the bill will likely end up costing middle-class workers and small businesses an extra \$1,000 per year.

Now the most recent report from 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. Those penalties will average nearly \$1,000 per person in 2016.

All this, and the health care "reform" law is merely a month old.

Perhaps this is why nearly 56 percent of American voters now favor repealing the bill.

This episode provides a lesson, not just for health care reform, but for the Obama administration's policies more generally. When critics of the health care bill raised these concerns during the debate, they were accused of "fear mongering." It was said that they were "opposed to reform," or were in the pockets of the insurance industry.

Now, as the administration presses forward with its other initiatives, including financial regulation and

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energy taxes, the same modus operandi is in action. Those who raise questions are derided as opposing "reform" and siding with the banks, energy companies, or whoever the enemy of the day is. The bills need to be rushed through. There is no time for real debate.

But maybe, just maybe, the first month of ObamaCare should serve as a lesson: Legislate in haste; repent in leisure.

Michael Tanner is a senior fellow at the Cato Institute.

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