



One Month Later: What America Has Found in Democrats' Government Takeover of Health Care

“We have to pass the bill so that you can find out what is in it.”

— Speaker Nancy Pelosi, March 2010ⁱ

Speaker Pelosi claimed that Democrats needed to pass their government takeover of health care so that the American people could find out its benefits “away from the fog of the controversy.”ⁱⁱ But one month after President Obama signed the measure into law (P.L. 111-148),ⁱⁱⁱ the American people have found new problems in the Democrat approach—leading to further declines in the overhaul’s popularity:

Costs Will Go Up. The Centers for Medicare and Medicaid Services released its analysis of the health and reconciliation laws, which found that the legislation will *increase* health costs, not contain them.^{iv} The actuaries also asserted that health care shortages and price increases “should be considered plausible and even probable” after the law’s enactment, that many provisions in the legislation intended to control health costs will have a “negligible financial impact,” and that some of the major savings projections in the legislation are “unrealistic” and “difficult to attain.”^v

Millions Forced to Buy Insurance. A study by Administration advisor Jonathan Gruber^{vi} found that more than 20 million people will obtain health coverage, not because they need it, want it, or find it valuable—but solely because the federal government is forcing them to buy it, and taxing them if they do not.^{vii} The Congressional Budget Office found that the tax penalty imposed under the law for the millions expected to violate the individual mandate will average nearly \$1,000—and that more than three-quarters of those subject to the individual mandate tax will have incomes of under \$250,000, breaking one of candidate Obama’s key campaign promises.^{viii}

Millions Forced Out of Their Current Insurance. Earlier this month, the Administration released the 2011 payment rates for Medicare Advantage plans, reflecting the more than \$202 billion in cuts to the program scheduled to take place over the next decade.^{ix} The cuts scheduled to take effect beginning next year will begin a process that will see nearly five million fewer seniors in Medicare Advantage plans, and millions more losing extra benefits that they currently enjoy.^x

Rationing With Open Eyes. Earlier this week, President Obama nominated Donald Berwick to head the Centers for Medicare and Medicaid Services. Berwick has previously indicated his support for federal restrictions on medical treatments that are too costly. He has noted that since “we have a limited resource pool...the decision is not whether or not we will ration care—the decision is whether we will ration with our eyes open.”^{xi} These kinds of statements—supporting policies that could limit access to life-saving treatments for Medicare beneficiaries—suggest one way the Administration intends to cut costs to fund its \$2.6 trillion health care expansion.

Democrats Don't Understand the Bill. A *New York Times* article, entitled “Baffled by Health Plan? So Are Some Lawmakers,” highlighted the confusion surrounding one provision in the law requiring Members of Congress and their staff to give up their current coverage and join the new government-run exchanges. A Congressional Research Service report cited in the article “found that this provision was written in an imprecise, confusing way, so it is not clear when it takes effect.”^{xii} As one Member of Congress observed, “If Members of Congress cannot explain how it’s going to work for them and their staff, how will they explain it to the rest of America?”^{xiii}

Unpopularity Grows. Even the Administration now admits the President’s government takeover of health care defied the public will; “White House advisors said their own polling showed the health care plan was still unpopular.”^{xiv} And an Associated Press survey indicated that opposition to the health law has grown since its enactment. Disapproval of the President’s handling of health care jumped six points within a month, to “a level not seen since last summer’s angry town hall meetings.”^{xv}

A Taxpayer-Funded Propaganda Campaign. Because of the bill’s widespread unpopularity, the *Washington Post* reported that the Administration “would soon be hiring a ‘very senior official’ whose sole portfolio would be to sell their health care overhaul to the public in the months leading up to the Nov. 2 elections.”^{xvi} Shortly thereafter, the Administration also unveiled an initiative to mail out “more than 4 million” postcards to small businesses touting the tax credits in the legislation.^{xvii} However, a White House aide admitted that “the outreach is going to vary depending on what the provision is.” Translation: The Administration is unlikely to put much effort into informing individuals that their taxes will be going up, or giving seniors the details of the cuts to Medicare Advantage that will result in millions losing extra benefits or access to their current plan.^{xviii}

In one short month, the American people have found out about many elements of the bill. Given these revelations, many may wonder how the reality of this brave new health care world in any way resembles the rhetoric of President Obama and the majority.

ⁱ Available at <http://www.youtube.com/watch?v=hV-05TLiLU&feature=related>

ⁱⁱ Ibid

ⁱⁱⁱ Senate-passed bill (H.R. 3590) text available at <http://www.opencongress.org/bill/111-h3590/text>; reconciliation bill (H.R. 4872) text available at <http://www.opencongress.org/bill/111-h4872/text>.

^{iv} Richard Foster, Department of Health and Human Services, Estimated Financial Effects of the “Patient Protection and Affordable Care Act,” as amended, April 22, 2010, http://republicans.waysandmeans.house.gov/UploadedFiles/OACT_Memorandum_on_Financial_Impact_of_PPACA_as_Enacted.pdf

^v Ibid

^{vi} Gruber has received two no-bid government contracts totaling nearly \$400,000 to consult with the Department of Health and Human Services on “national health care reform.” Detailed information available at http://www.usaspending.gov/fpds/fpds.php?parent_id=355297&sortby=u&reptype=r&database=fpds&fiscal_year=2009&detail=4&datatype=T&submit=GO

^{vii} “Why We Need the Individual Mandate” by Jonathan Gruber, Center for American Progress paper, April 8, 2010, http://www.americanprogress.org/issues/2010/04/pdf/individual_mandate.pdf

^{viii} Congressional Budget Office, estimated distribution of individual mandate penalties under P.L. 111-148 and P.L. 111-152, April 22, 2010, https://www.cbo.gov/ftpdocs/113xx/doc11379/Individual_Mandate_Penalties-04-22.pdf

^{ix} Congressional Budget Office analysis of H.R. 4872 in concert with H.R. 3590, March 20, 2010, <http://cbo.gov/ftpdocs/113xx/doc11379/Manager%27sAmendmenttoReconciliationProposal.pdf>

^x Congressional Budget Office analysis of Medicare Advantage provisions in H.R. 4872 in concert with H.R. 3590, March 19, 2010

^{xi} “Rethinking Comparative Effectiveness Research,” An Interview with Dr. Donald Berwick, *Biotechnology Healthcare* June 2009, http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2799075/pdf/bth06_2p035.pdf

^{xii} “Baffled by Health Plan? So Are Some Lawmakers” by Robert Pear, *New York Times* April 13, 2010, <http://www.nytimes.com/2010/04/13/us/politics/13health.html>

^{xiii} Ibid

^{xiv} “Democratic Party Plans Unprecedented Aid for Congressional Campaigns” by Paul Kane and Chris Cillizza, *Washington Post* April 17, 2010, http://www.washingtonpost.com/wp-dyn/content/article/2010/04/16/AR2010041602567_pf.html

^{xv} “AP-GfK Poll: Jump in Opposition to Health Care Law” by Ricardo Alonso-Zaldivar, April 15, 2010, <http://www.google.com/hostednews/ap/article/ALeqM5i2BvA7d42vZVYA6HxwXp4Si6XYdgD9F3BKFO1>

^{xvi} Ibid

^{xvii} “For Small Businesses, Health Care Pitch Is in the Mail” by George Condon, *CongressDaily AM* April 20, 2010, http://www.nationaljournal.com/congressdaily/wha_20100420_8630.php

^{xviii} Ibid