

## The Disaster Called ObamaCare

Democrats hate the idea of companies making a profit, and that 2–3 percent profit made by the insurance companies drives them nuts. (Of course, their profits are actually quite low compared to the profits of most other industries, like software companies. Why isn't Obama moaning about Microsoft's profits?)

Democrats don't like the idea of people having personal responsibility—they want the government running everyone's lives. So they create a health care crisis where there is less of a crisis than there is a need for some deregulation, like allowing companies to sell policies across state lines.

Obama trots out the sob stories and says, “Look, this lady has breast cancer and she can't buy insurance!” Well, no, it's not even insurance if you buy it *after* you get sick! At that point it's forced charity. (Try buying auto insurance *after* your car has been stolen or has been in a collision.)

The insurance companies obviously do not want to sell insurance after the fact. They don't want to sell you homeowners insurance after your house has burned down either.

But Obama wants the votes of the gullible people who fall for sob stories, so he says, “We will force those mean insurance companies to sell health insurance to everyone! No matter what is wrong with them!”

Under that scenario, of course, you would be stupid to buy health insurance while healthy. Just wait until you get sick, then buy the insurance, get your hospital and doctor bills paid, and cancel the policy after you recover. If you get sick again three years later, just buy another policy.

Of course, such a process would put all insurance companies out of business. Even Obama is not so stupid as to miss that logic.

So, what does he do? He has a provision in ObamaCare that says all Americans *must* buy health insurance whether they want to or not. That forces the young, healthy people to buy insurance they don't need—but the insurance companies need their premiums to cover the cost of the fat diabetic smokers who now cannot be turned down because of pre-existing conditions.

The insurance companies aren't fighting ObamaCare too much because they'll get new customers. Aetna and Blue Cross like the “YOU MUST BUY INSURANCE” rule as much as General Motors would like a “YOU MUST BUY A NEW CHEVROLET” rule.

But ObamaCare is stuck with the problem of young people who will say, “Screw you, Obama, I don't want health insurance. I'm 25 years old, healthy, and I don't need to waste my money on that.” (For the most part, the young people have a valid argument.)

So, ObamaCare says if you don't buy health insurance the feds will hit you with a fine of \$2,000 per year or 2.5 percent of your income, whichever is greater. For most people, the fine is cheaper than the insurance, so they still won't buy it.

Obama is hiring 16,000 more IRS employees to go after Americans who don't buy insurance. But the provision for jail time was removed from the legislation, so the most the IRS can do (at least for the time being) is deduct the fine from any income tax refund that may be due. Any taxpayer with a brain will avoid that by changing his W-4 form at the office so that less in taxes is taken out of his weekly paycheck, so that he will owe a small amount on April 15—rather than lose his refund.

Now, even if everyone is forced to buy health insurance not everyone can afford it. So, ObamaCare gives millions of Americans a tax subsidy to help pay for their insurance. That's right out of the "spread the wealth" playbook of the socialists. Obama is raising taxes by about \$500 billion to help subsidize the health insurance premiums of poor people. So, those of us with good jobs and salaries have to pay more so those with lower incomes can buy health insurance. Spread the wealth...

ObamaCare imposes a new Medicare tax on rental income, capital gains taxes, dividends taxes, etc. Do you own any stock? Have a 401(k)? Enjoy the new 2.9 percent Medicare tax on your profits.

But even \$500 billion in new taxes is nowhere near enough to cover the premium subsidies or the cost of adding 10–15 million more people to Medicaid. (The official poverty level is being raised so that more people can qualify for Medicaid. That means the rest of us who are above that line get to pay more for the people under that line.)

To get more money ObamaCare will cut \$500 billion or so from Medicare. But Medicare is going broke and spends more than it collects in revenue, so Obama isn't going to find \$500 billion there. Yes, there is waste and fraud, but don't expect the feds to do a good job of stopping that. They haven't done it over the last 46 years, so why would anyone expect they would do it now?

To save money, the feds will pay doctors and hospitals less for Medicaid and Medicare patients. They will slash the amounts in their fee schedules. The result will be doctors refusing to take new Medicaid and Medicare patients. (When a doctor pays \$50,000 or more per year in malpractice premiums, he's got to make that up somewhere. He'll get it from paying customers with good insurance, not Medicare and Medicaid patients.)

Those reduced fees will cause some hospitals to go out of business and many physicians to retire early.

Whammo, you have a doctor shortage. So ObamaCare will be like socialized medicine in Great Britain and Canada, where in theory everyone is covered—but good luck finding a doctor who does not have a six-month waiting list. Need a hip replacement? Maybe next year...

Also to cut costs, ObamaCare will have a commission that evaluates treatment, and decides for doctors the “right” way to treat a particular illness. If the doctor does not follow the rules, his fees get zinged.

ObamaCare will apply a penalty to doctors in the top 5 percent of care costs. In other words, the doctors who collect too much in Medicare or Medicaid fees will be punished with a pay cut. Now, go see Doctor Kildare with your severe headaches. Does he order an expensive brain scan to rule out a brain tumor? Or does he send you home with a Tylenol-3 because he is afraid of being in the top 5 percent? The penalty is an incentive to cut costs; but it is also an incentive to give lousy treatment.

Now, toss in a myriad of rules and regulations to make it more difficult for the health insurers to make a profit and stay in business.

ObamaCare also contains a provision *outlawing* physicians from opening new hospitals, and existing physician-owned hospitals are not allowed to expand *unless* they get permission from the Department of Health and Human Services. ObamaCare will cause doctor and hospital shortages, yet the law prevents physicians from opening new hospitals! Why? Because the corporate-owned hospitals do not like the competition from the better-run physician-owned facilities. The American Hospital Association lobbied Obama to insert a “no physician-owned hospitals” provision in ObamaCare. The AHA won... and Americans will suffer accordingly.

ObamaCare is certainly *not* about “competition.” Obama’s goal is to put all private health care companies out of business. Obama has been pushing a single-payer (government runs the whole shebang) system since he knew what the term meant. He is a classic red-diaper baby, raised by atheist-socialists and mentored by the same. He is a charlatan, con-man, snake-oil salesman. The state legislators he worked with in Springfield, Illinois hated him—with good reason. Like Professor Harold Hill in *The Music Man*, Obama will promise the band instruments and the uniforms but when the Wells Fargo Wagon arrives in town it will be empty. Unlike the musical and the movie, the story does not have a happy ending.

ObamaCare will be a total disaster. Premiums will go up faster than ever. The insurance companies will have no choice but to pass on their increased costs of doing business. Their profit is not enough to absorb all the new costs. (If Obama taxed the insurance companies at a full 100 percent and allow them no profit at all, he would collect only enough tax revenue to fund health care in the United States for two days.)

Obama will blame the failure of ObamaCare on the insurance companies, not ObamaCare itself. People will be angry and frightened. Angry and frightened people will do things they would not normally do... like beg the government to completely take over the rest of health care because everything has been so screwed up. (Never mind that it will have been the government that screwed it up.)

As I say in my book, *The Obama Timeline*, “When rising floodwaters surround a home, its terrified owners will accept a ride even in the boat of the man who dynamited the dam.” That is Obama’s plan: create such a mess that the voters will accept his swooping down and nationalizing the whole damn system. He is dynamiting the dam with ObamaCare, and he will make sure he has the only boat in the valley.

ObamaCare has a few “goodies” snuck into it, like the government taking over all student loans. You can no longer get a college loan from your local bank; you have to get it from Uncle Sam. Why is that in ObamaCare? To avoid a discussion of it on its merits, of course. And don’t expect NBC to do an expose on it.

Why take over student loans? Because the feds can then control the curriculum at all colleges and universities. The feds will say, “If you want the money, you have to follow the rules.” The rules will likely include things like mandatory classes on “Understanding Islam” and “Why America Sucks.” To avoid the regulations, the school cannot accept the federal money. But the school will then have no students, because they can’t get the loans anywhere else! A nice scheme, huh? A way to brainwash all future college students in the ways of statism.

Oh, but Obamacare will reduce the deficit! Nonsense—read the Democrat memo on how to lie about the CBO estimates:

<http://biggovernment.com/capitolconfidential/2010/03/19/dem-memo-do-not-allow-yourself-to-get-into-a-discussion-of-health-bill-score/>

If that memo doesn’t anger you, nothing will.

None of the above is to suggest that I think the Republicans are God’s gift to mankind, of course. The Republicans will lead us to quasi-socialism slowly, while the Democrats will lead us to full-blown socialism quickly. Choose your medicine. I vote for the Republic of Texas or the Republic of Alaska. You may want to stockpile guns, gold, and ammunition. And when hyperinflation hits, don’t say I didn’t warn you!

Now it’s the leftists’ turn to call me a Nazi...

*Don Fredrick*  
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