

Thoughts On ObamaCare

ObamaCare gives people an incentive *not* to have health insurance

I spend about \$8,000 per year on health insurance premiums. I most certainly do not get \$8,000 worth of care every year. I pay the premiums *not* for “free” treatment of likely *minor* illnesses or injuries such as strep throat, a sprained ankle, tendonitis, or an infection, but to insure myself against the unlikely possibility of *major* bankruptcy-inducing medical expenses, such as cancer or heart surgery. (I have car insurance to cover major accidents, *not* for oil changes.)

In his infinite wisdom, the thug-in-chief and his Congressional partners in crime have decided that health insurance companies should be forced to sell me a policy *even if I have a pre-existing condition*. In plain English, that means they *must* sell me a policy even *after* I get sick or injured.

For some reason millions of Americans think that is a good idea. But if I could buy car insurance *after* I was involved in an accident, or buy homeowners insurance *after* my house burned down, I would certainly do without that coverage until a catastrophe occurred. There is, in fact, a good chance I may *never* need the insurance. I may never get in an automobile accident and my house may never burn down. Even if those were to happen, they will certainly not happen every year of my life.

Thanks to ObamaCare (aka PelosiCare), I can now *cancel* my health insurance policy and save \$8,000 per year. Instead of routinely writing checks to the insurance company, I’ll make routine deposits to my savings account. If I get strep throat, I’m sure my doctor will accept my personal check in payment of treatment. (The only reason I even need to see a doctor is that the government prohibits me from buying antibiotics without a prescription. But that’s another article.) In fact, the doctor may give me a discount for paying cash up front and freeing him from the expense and delay of dealing with an insurance company. If my health care costs run \$1,000 for the year—let’s say for an annual physical and treatment of a flu bug or virus—I am \$7,000 ahead of the game.

Five years from now I might have \$35,000 in the bank. If I should then get diagnosed with cancer or need surgery of some sort—or anything else that will cost me a substantial amount—I will simply buy health insurance. Thanks to Obama, Nancy Pelosi, Harry Reid, and John Roberts, the insurance company *cannot turn me down!* In fact, it cannot even charge me an outrageous rate. (Barry said that was a no-no as well.)

If I do not survive the illness or surgery, my family will inherit the \$35,000 in my bank account. If I do survive, I will cancel the insurance coverage as soon as my health improves.

But, you say, the Supreme Court has stated that the federal government can tax me for *not* buying health insurance. So? I will refuse to pay that tax—which Obama says is not a tax. There is no provision in ObamaCare penalizing me for not paying the tax.

(Additional penalties and prison sentences were removed from the legislation before it was passed.)

Yes, the IRS will reduce my income tax refund by the amount of the ObamaTax, but it can do so only if I have a tax refund. I can make sure that I do not get a refund simply by filling out a new W-4 form that calls for less income tax to be withheld from my paychecks. Next April 15 I will fill out my annual 1040 tax forms, calculate what I owe—subtracting the ObamaTax, of course—and write the IRS a check for the remainder.

As much as I believe ObamaCare is an unconstitutional abomination, as long as it remains the law of the land I will take advantage of it and save \$8,000 per year. I would be a fool *not* to do so. I assume millions of other Americans also have a modicum of common sense and will cancel their health insurance. While the political left gloats about how it has scored a victory, we non-insureds will be laughing all the way to the bank.

If you *do* pay the ObamaTax, jobs will be lost

For a family of four that earns \$50,000 per year, the annual “non-tax tax” for failing to buy health insurance will be about \$2,000. (The amounts vary based on income levels and will increase annually, adjusted for inflation. Your salary is probably not automatically adjusted for inflation, but your ObamaTax is.) Obama and the Democrats sneakily stalled the tax until 2014, safely past the 2012 elections—with much higher taxes scheduled for 2015 and 2016. But if a President Romney is unable to repeal ObamaCare in 2013, he may be able to do so in 2014 or 2015. When that family of four fills out its 1040 tax form in early 2015 and sees a huge ObamaTax, it is a safe bet that members of Congress will start getting phone calls and letters. Obama is hoping that the average voter will remain clueless about what lies ahead—or clueless until at least November 6. (Note to Barry: If you manage to get re-elected you may be even more unpopular in 2015 than George W. Bush was in 2008.)

If that family of four actually pays the ObamaTax, \$2,000 will be removed from the private economy and shipped to the IRS—and that means job losses. Unlike the Federal Reserve, that family of four cannot print money. It has to come up with that \$2,000 from *somewhere*. What will that somewhere be? It may be the purchase of fewer new clothes, less dining out, no trips to the movie theater, less expensive and fewer Christmas gifts, etc. Those cut-backs will result in lost jobs—especially when that \$2,000 is multiplied by millions of Americans who are hit with the tax. When a restaurant closes and 50 people lose their jobs, the owner should put a sign in the window that reads, “Out of business due to ObamaTax.”

What happened to the “no new taxes” pledge?

Obama famously promised in 2008, “Under my plan, no family making less than \$250,000 a year will see *any* form of tax increase.” He lied.

According to the Congressional Budget Office, 75 percent of ObamaCare's individual mandate taxes will be paid by families earning less than \$120,000 per year. Among the other many ObamaCare taxes: a 2.3 percent excise tax on medical devices (such as pacemakers, stents, etc.), a 10 percent excise tax on indoor tanning services, and an increase of the medical deduction floor from 7.5 to 10 percent of adjusted gross income. Taxpayers with significant medical expenses will be able to deduct only those expenses that exceed 10 percent of their income, rather than 7.5 percent. *This change is therefore a tax increase on the sickest Americans.* (So much for the “no new taxes” promise.)

What about that, “If you like your health care plan, you’ll be able to keep your health care plan—period” promise?

There are estimates that as many as 30 percent of all employers will cancel the group health insurance policies that cover their employees. The employers will instead pay the tax penalties imposed for not providing coverage. (The penalty is much less than the cost of providing the insurance.) Employees will then have to seek insurance on their own, or pay the tax for not having insurance. Obama's promise is empty. You cannot keep your plan if it no longer exists.

What about that \$2,500 per year savings Obama promised?

In 2008 Obama said, “I will sign a universal health care bill into law by the end of my first term as president that will cover every American and cut the cost of a typical family's premium by up to \$2,500 a year.” In 2011, a family health plan cost, on average, cost about \$15,000 per year—almost 10 percent more than in 2010, when Obama signed his health care bill into law. No reasonable person can believe there is still a potential to save \$2,500 per year... not when annual premium costs have *already* increased by an average of \$1,500.

Premiums will continue to go up because the insurance companies have to cover the costs of ObamaCare's new regulations and requirements. Among those rules is one that prohibits a carrier from charging elderly customers more than three times the rate charged a young customer. The insurers cannot lower the rates of older customers to satisfy the requirement because it is the older customers who are the most expensive to cover. The insurers will therefore have to raise the rates of younger policyholders to stay within the three-to-one rule. The Heritage Foundation notes, “Management consulting firm Oliver Wyman estimated that premiums will rise by 45 percent for those age 18–24, 35 percent for those age 25–29, and 26 percent for those age 30–34.”

ObamaCare also prohibits insurers from charging women higher rates than men—despite the fact that it costs more to cover women. (Obama may not be aware that men do not incur pregnancy costs, or that women tend to outlive men and therefore need health care for more years. It costs an insurer nothing if a 68-year-old man drops dead of a heart attack; it costs an insurer plenty if an 86-year-old woman needs hip replacement surgery.) By insisting that the male-female rates be equal and “fair,” Obama has guaranteed that

the male rate will *increase* to the level of the female rate, because the insurer cannot lower the female rate without losing money.

ObamaCare essentially throws actuarial processes out the window, even prohibiting discounts for healthy customers. Obama demands a “community rating” for everyone, considering it discrimination to charge women more than men, smokers more than non-smokers, obese slobs more than agile gymnasts, or couch potatoes more than devoted joggers. In Obama’s fantasy world, insurance companies should welcome intravenous drug users and not charge them one penny more for coverage—even though their risk of HIV-AIDS is astronomically high. (In Obama’s fantasy world, the owner of a new Corvette parked on a ghetto street should pay no more for insurance than the driver of a Taurus parked in a suburban garage.) What Obama neglects to mention in his many campaign speeches is that everyone who does not pump their veins full of heroine will be paying higher premiums to subsidize those who do. He does not mention that every single-partner heterosexual will be paying higher premiums to cover the health risks of every multiple-partner homosexual. (The folks in Peoria are apparently supposed to sleep better knowing that, thanks to their higher insurance premiums, everyone marching in San Francisco’s gay pride parade has full coverage.)

One could conceivably save money on insurance by purchasing a no-frills policy—but under ObamaCare those policies are outlawed. You don’t believe in acupuncture? Sorry, ObamaCare mandates that insurance policies cover it. You’d like to save money by having a high deductible policy? Sorry, ObamaCare doesn’t allow that. You don’t need coverage for drug abuse problems? Sorry, ObamaCare says your policy must provide for it. The minimum coverage rules of ObamaCare guarantee that insurance will become more expensive. Forcing insurers to distribute free birth control pills and abortifacients and to provide free exams may sound appealing to many—until they get their premium notices and realize that they have to pay for all that “free stuff.”

ObamaCare requires that insurers eliminate annual and lifetime limits. You will not be able to buy a less-expensive policy with a \$1 million limit, for example. The cost of eliminating those limits will necessarily be passed on to consumers through higher premiums. Those increases are already affecting policyholders across the nation. Obama’s promise that premiums would fall by \$2,500 per year is as believable as his promise to lower ocean levels. The elimination of pre-existing conditions restrictions alone will likely raise the cost of individual policies by as much as 50 percent.

On the day of the Supreme Court decision Obama said, “Insurance companies can no longer impose lifetime limits on the amount of care you receive. They can no longer discriminate against children with pre-existing conditions. They can no longer drop your coverage if you get sick. They can no longer jack up your premiums without reason. They are required to provide free preventive care like check-ups and mammograms. All of this is happening because of the Affordable Care Act.” He neglected to add, “All of this will cost you more money.”

The 50th employee is on the bubble

ObamaCare forces all businesses with 50 or more employees to provide them with health insurance—regardless of whether they can afford to do so. Any business that refuses must pay a per-worker fine—also regardless of whether it can afford to do so. The more naive may believe this ObamaCare provision will lead to more workers getting health insurance. In fact, it will lead to higher unemployment.

Assume you own a business with 50 employees. ObamaCare puts a gun to your head and forces you to provide them with health insurance. If that coverage runs \$10,000 per worker, you must come up with an additional \$500,000 per year. Let's also assume your business does not have an extra \$500,000 per year sitting around doing nothing. (If it did, you might already have been providing your employees with insurance.) To come up with that \$500,000, you could conceivably raise prices on your products or services. But that will cause you to lose customers. (It may also cause you to go out of business if your customers can buy the same product for less from China.)

You could choose not to provide health insurance and pay the employer fine, but even that would cost you \$100,000 (50 employees times \$2,000)... and you don't have an extra \$100,000 either. As a result, you do what any business owner with a brain would do: *you fire at least one of your employees, to get your body count under 50.*

Look around you, folks. If you work for a company with between 50 and 55 employees (or perhaps even more), there's a good chance that one or more of you are going to get the axe because of ObamaCare.

ObamaCare encourages businesses to eliminate employee health insurance

Despite the fact that ObamaCare forces businesses with 50 or more employees to provide them with health insurance (or pay a fine), the law actually encourages businesses who already provide such coverage to cancel it. Because the fine for not providing coverage is considerably less than the cost of providing it, many employers will respond by canceling employee health insurance altogether to eliminate its expense (and the additional paperwork required by the law). The employees would then buy insurance from the exchanges established by their state. Over time, increasing numbers of people would be serviced by those exchanges, eventually making it easier for the federal government to take over the entire industry. However, some states (including Florida, Wisconsin, Missouri, and Louisiana) are throwing a monkey wrench into Obama's plan by refusing to establish exchanges. (In Missouri, voters will be presented with a referendum which, if passed, would prohibit the state from establishing an exchange without the consent of the people. Seventy-one percent of Missouri voters approved an August 2010 referendum outlawing ObamaCare's individual mandate.)

Businesses may lobby their states *not* to create an ObamaCare insurance exchange, because the penalty for not providing employees with insurance applies only if the employees have the option of buying subsidized insurance from the state exchange. If there is no state exchange, there is no penalty for not providing insurance.

ObamaCare will *not* result in health insurance for all Americans

What was the alleged goal of ObamaCare? To provide all Americans with health insurance. Will it achieve that goal? *Of course not!*

The Supreme Court ruled that Obama's "blackmail provision" is unconstitutional. Obama planned to withhold *all* Medicaid funds from any state that refuses to expand its program to include families up to 133 percent of the poverty level. Most working Americans, of course, already have health insurance; the elderly have Medicare; and the poor have Medicaid. But many of the working poor do not have health insurance. To address that, the Obama/Pelosi/Reid triumvirate—the axis of evil—decided to force the states to place more of the working poor on Medicaid. The problem is that a large portion of Medicaid funding comes from the states themselves, and most of the 50 states are already cash-strapped—with several near bankruptcy. They simply cannot afford to add hundreds of thousands of new names to their Medicaid rolls. To sweeten the pot, ObamaCare calls for the federal government to pick up 100 percent of the added costs—but only *temporarily*. Eventually the states would be left paying the additional costs. (Perhaps not surprisingly, two of the Democrat-run states that are closest to bankruptcy, California and Illinois, say they will gladly expand their Medicaid rolls. Look for big tax increases in those states.)

So, knowing that most states would balk at the added Medicaid costs—an estimated \$52 billion for New York alone over 10 years—ObamaCare included a threat to end *all* federal Medicaid funding if they did not cooperate. Obama "gave them an offer they couldn't refuse." The Supreme Court said no to that—and even Obama-appointed Justice Elena "Butch" Kagan agreed.

Obama wanted to dump millions more Americans onto the state Medicaid rolls. Now that will not happen. As a result, he has failed in his pledge to insure all Americans. But even his failure will cost us a fortune in new costs and taxes. Many Americans believed, "Well, I'm willing to pay a little more so that every American will have insurance." In fact, they will be paying a *lot* more—and millions of Americans will *still* not have insurance.

Who gets hurt the most?

The wealthiest Americans will not suffer from ObamaCare. They already have health insurance and can afford to pay rising premiums. The poorest Americans have Medicaid. Senior citizens have Medicare. Illegal immigrants will continue to seek treatment at hospital emergency rooms. (The ObamaTax does not apply to illegal immigrants.)

So who is left to pay the bills? *Low-income and middle-class Americans*. Middle-class Americans will pay more for health insurance as ObamaCare regulations kick in. (Insurance companies will face rising costs because of having to cover last-minute "pre-existing conditions" customers; losing healthy customers who take advantage of the pre-existing conditions requirement; providing free birth control pills, abortifacients, annual

exams and mammograms; eliminating lifetime limits on payouts; higher costs for medical devices such as stents and prosthetics; and many more rules and regulations—all of which have costs associated with them.)

Those workers whose employers provide excellent insurance—most of whom are in the middle class and many of whom are in labor unions—will get hammered with a tax on “Cadillac” plans. (Obama wants all Americans to have coverage, yet he thinks it is a good idea to punish workers who are lucky enough to have exceptional coverage.)

Americans who have Health Savings Accounts and Flexible Spending Accounts will find new restrictions under ObamaCare. (There is no logic to those restrictions—unless one realizes that Obama has a genuine dislike for anything remotely based on a free market.)

Low-income Americans will find it even more difficult to afford health insurance as the costs escalate. If they work hard to earn a wage increase, they will be hit with the ObamaTax for not having health insurance. Their incomes will be too high to make them Medicaid-eligible, but too low to be able to afford insurance—and the harder they work to move up the economic ladder, the higher the tax for not having insurance.

Senior citizens will also be harmed. ObamaCare phases out the Medicare Advantage program, which many senior citizens rely on. Without that program, their health care costs will go up. Worse than that, fewer and fewer physicians will accept patients on Medicare, because the reimbursement rates are simply too low to cover the expense of treating the patient. The same is true of Medicaid. Many physicians do not accept Medicaid patients because they lose money treating them. As time passes and fewer physicians accept Medicare and Medicaid patients, those who can find a doctor will be faced with longer wait times for appointments and treatment. (Author and *Washington Times* columnist Amanda Carpenter asks, “If you like your doctor you can keep him, but will he keep YOU? Or even keep practicing medicine?”)

Meanwhile, Obamacare’s Independent Payment Advisor Board (the “death panel”) is tasked with finding ways to cut Medicare expenses. It is an absolute certainty that the panel of 15 unelected members will find ways to cut costs that result in worse care for senior citizens. (One might anticipate, for example, rules that restrict some treatments for patients over a certain age because they are not “cost-justified.” Grandma may be deemed too old for that hip replacement, and grandpa may be ruled too old for cataract surgery.)

ObamaCare will *not* save money

Obama sold ObamaCare as costing less than \$1 trillion over 10 years and not only being paid for completely but *saving* money for the taxpayers. That was a lie from the beginning, but as time passes the costs will escalate and the situation will get worse. The Congressional Budget Office now estimates the cost will be \$1.76 trillion over 10 years.

The original plan was for ObamaCare to be “paid for” with about \$500 billion in Medicare cuts and \$500 billion in new taxes. Aside from the fact that \$500 billion in

taxes plus \$500 billion in cuts is nowhere near \$1.76 trillion, there is no possibility that Congress will slash Medicare spending by \$500 billion over 10 years. If reimbursements to doctors and hospitals are further reduced, they will accept even fewer new Medicare patients. Without the Medicare cuts, the federal government's subsidies to poor families to help them buy insurance will be unfunded. That will increase the deficit. As previously noted, ObamaCare was designed to dump millions of new Medicaid patient costs on the states. But the states are now able to tell Obama, "Thanks, but no thanks. If you want to cover them, you pay for it." That will also increase the deficit.

Nor will Obama's \$500 billion in new taxes be enough to cover the cost of ObamaCare—even if that much revenue is collected. The taxes may actually bring in less money than anticipated, because Americans have a habit of avoiding taxes when they become too burdensome. As an example, the capital gains tax is being raised from 15 percent to a whopping 23.8 percent. Obama rightly understands that 23.8 percent of something is greater than 15 percent of something. But he should realize that 23.8 percent of nothing is *zero*. Faced with higher capital gains taxes, many investors will avoid them completely by not selling stocks or other investments that would cause a capital gain. If you bought \$10,000 worth of stock and years later sell it for \$25,000, Obama demands 23.8 percent of your \$15,000 gain. But if you hold on to the stocks and do not sell them, there is no gain. No gain means no tax. Obama may therefore end up getting less revenue from his increases on the capital gains tax than if he had left it at 15 percent. Many people will simply hold on to their investments and not sell them until a new Congress and president are elected and reduce the tax.

More jobs losses are on the way

Even if Obama is successful in gaining \$500 billion in new taxes over 10 years, taking that \$500 billion out of the private economy means job losses. In addition to the ObamaCare taxes, the expiration of the Bush income tax rates means even higher taxes on Americans—*especially* the middle class. If \$100 billion is collected by the government in higher taxes in 2013, that means \$100 billion taken out of the private economy. One taxpayer may cancel plans for a new boat, resulting in lost jobs for middle-class boat builders. Another might cancel plans for a room addition, meaning lost jobs for carpenters and plumbers. Another may decide to keep his old car for a few more years, meaning lost commissions for a new car salesman. Another may decide not to buy a new computer, resulting in lost revenue for an American company that imports foreign electronics. *Any new tax revenue that goes to the government is money taken from somewhere else.*

Because ObamaCare increases the cost of health insurance, individuals and businesses have to cut expenses elsewhere to compensate. If a family's premiums rise by \$1,500, it has \$1,500 less to spend on things other than insurance. A family cannot "lay off" one of its members to save money. Multiply \$1,500 in lost purchasing power by millions of families, and the result is massive job losses across the country.

Unlike families, businesses can and will lay off employees. Rising insurance costs may, for example, force a business with 100 employees to lay off 5 of them—and the 95 who are retained will be expected to work harder to compensate for the loss of their former co-workers. Those businesses that do their best not to lay off workers have to cut costs elsewhere. “Elsewhere” may be postponing plans for business expansion or a reduction in research and development. Those actions also result in lost jobs—or jobs not created. Obama is infamous for bragging about jobs he “created or saved,” but ObamaCare will lead to jobs “destroyed or postponed.”

We are no longer free

Over the last 150 years, continuing abuses of the U. S. Constitution have eroded the liberties of all Americans. Our Founding Fathers would be stunned by all that has been done to destroy the document they fought so valiantly to establish. If the federal government can force Americans to buy health insurance, it has the power to do anything. It is absurd to argue, “You’re not being forced to buy health insurance; you are simply being taxed if you do not.” That is like arguing that a military draft does not force someone to fight in an unjust war because he has the option of choosing the alternative (a jail sentence).

What will be required next? Can we be forced to buy electric vehicles (via a high tax on gasoline-powered vehicles)? Can we be forced to limit our families to one child in order to “stop global warming” (via a high tax on large families)? ObamaCare and the Supreme Court have made it clear that we must do as the federal government so orders.

Chief Justice John Roberts is *not* a genius

In the wake of the Supreme Court ruling some have argued that Chief Justice John Roberts’ ruling was a “brilliant” move that limits the use of the Commerce Clause, and that portrays Obama as a liar for saying he would not raise taxes on the middle class. First, the Commerce Clause has barely limited anything in the last 80 years, and Congress will no more pay attention to Roberts’ words than anyone else’s. Additionally, Roberts’ Commerce Clause comments were merely dicta, or side remarks. They do *not* constitute a ruling or precedent regarding the Commerce Clause. Congress and presidents have demonstrated that they are more than willing to ignore the U. S. Constitution. For anyone to believe they will now follow the advice of Roberts is absurd. He is the darling of the political left only until he issues a ruling with which they disagree.

Secondly, what does it matter that the ruling declared the ObamaCare penalty a tax? Almost everyone knows Obama is an accomplished liar. For a court ruling to emphasize that fact means little. Obama and his sycophants have already responded to the ruling by repeating, “No, it’s still not a tax,” or by arguing, “It doesn’t matter what you call it. It was the right thing to do for the American people.” *You cannot shame a shameless person.*

Roberts is *not* a genius. His ruling does *not* “paint Obama into a corner.” Had the Court ruled ObamaCare unconstitutional we would be rid of it. Because of Roberts, it is still the law of the land—and Roberts will certainly not look “brilliant” if Mitt Romney loses on November 6.

Obama’s ultimate goal

ObamaCare will not do what Obama said it will do: insure all Americans and reduce costs. It will result in fewer Americans covered by private insurance, rising health care costs, and insurance carriers going out of business. But those failures are not a “bug” within ObamaCare; they are a “feature.” Obama’s goal is to *eliminate* private health insurance and have all medical care controlled and provided by the federal government. It is not difficult to find a video clip of Obama telling an AFL-CIO Civil, Human and Women’s Rights Conference audience, “I happen to be a proponent of a single-payer, universal health plan... that’s what I’d like to see. But, as all of you know, we may not get there immediately. Because first we’ve got to take back the White House, and we gotta [sic] take back the Senate, and we gotta [sic] take back the House.” Obama’s goal of a national health plan without private involvement has been a decades-long ambition, despite what his defenders say. Socialist Congresswoman Jan Schakowsky of Illinois has publicly admitted that the goal is to force all insurance carriers out of business so that the government can take control of the industry.

During the ObamaCare debate everyone knew there were proponents of a “single-payer system” among members of Congress (such as Barney Frank and the aforementioned Schakowsky). The Democrats settled for ObamaCare only because they did not have the votes for a complete nationalization of the health care industry. *But that remains their goal.* ObamaCare will first force the smaller insurance companies out of business, and cause prices to rise to unbearable levels. After only two or three large carriers remain, the Democrats (and no doubt some Republicans) will insist those companies are “too big to fail” and argue for their takeover by the government.

Obama and his comrades don’t care if ObamaCare fails. In fact, they want it to create major problems. Their strategy is to create a crisis and then impose a “solution.” That solution *always* involves more government. They know that some Americans recognize their schemes. But if those people remain in the minority they are mere annoyances, like flies at a picnic. I am proud to be one of those flies... but I’d certainly like the company of a few hundred million more.

The government is not your friend

George Washington reportedly said, “Government is not reason, it is not eloquence—it is force! Like fire, it is a dangerous servant and a fearful master.” To that I will add: The wise man asks not what his country can do for him; he asks government to get out of the way and leave him alone.

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