



Written by [Thomas R. Eddlem](#) on December 29, 2009

GOP Looks for Dem. Defectors as Healthcare Bill Punishes ‘Generous’ States

The New York Times documented that several "progressive" states that have expanded healthcare coverage on their own are not setting up to oppose the Senate version of the healthcare package. The December 27 story noted that the Senate package, passed on Christmas Eve, would force states struggling to balance their budgets to subsidize the expansion of health care coverage in other states that had not expanded health care coverage by state mandates.



The U.S. Senate health care bill would create insurance exchanges and dramatically expand federal Medicare coverage to allow states to increase assistance for those subject to the federal mandate to obtain healthcare insurance, and pay for most of it with a huge tax increase. But those already on a state program do not qualify for federal subsidies, disparately impacting the "progressive" states. "We are, in a sense, being punished for our own charity," Gov. David A. Paterson of New York has complained of the bill. "With tax revenues down and budgets breaking," the *Times* reported, "the states — including Arizona, California, New Jersey, New York, and Wisconsin — say they cannot afford to essentially subsidize other states' expansion of healthcare."

As Karl Marx would say, "From each according to his ability, to each according to his need," though in this case the only "needs" considered are those of top legislators. Ben Nelson's Nebraska had already won special considerations in the Senate bill because Democrat Nelson had threatened to support a GOP filibuster against the bill. His 60th vote to break the filibuster was a key "need."

But more needs may have to be salvaged and met before the final package can be passed. The *Times* [stressed](#) that "roughly 20 states that have already expanded coverage in some form will pay a greater proportion of their new Medicaid costs under the bill than those states, largely in the South, that until now have covered relatively few of their poorest residents."



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This upheaval is an opportunity for the Republicans, among whom Senate Minority Leader Mitch McConnell has [noted](#) "there is great unrest in the Democratic Party." Indeed, Democrats are split between the hard-line socialists who insisted upon a "public option" (not in either the House or Senate bills) and those moderates who are worried that the current healthcare package will ensure endless deficits and their own electoral defeats down the road. The latter fears are not unfounded in public opinion polls. "By 73-18 percent, voters don't believe President Obama will be able to keep his promise to overhaul healthcare without increasing the federal deficit and by 56-37 percent they don't want the overhaul if it will increase the deficit." a December 22 Quinnipiac poll found.

While Democrats are hyping the fact that the Congressional Budget Office has acknowledged the current healthcare reform bills would save \$132 billion over 10 years compared with current law, the "compared with current law" is the key qualifier in the figure. The CBO [reported](#) on December 19 of the Senate version of the healthcare package that "CBO and JCT estimate that, on balance, the direct spending and revenue effects of enacting the Patient Protection and Affordable Care Act incorporating the manager's amendment would yield a net reduction in federal deficits of \$132 billion over the 2010-2019 period."

But even if we examine President Obama's statements in recent months, this is savings of money the nation never had, and never will have. Obama himself has [stated](#) that "with healthcare inflation on the curve that it's on we are guaranteed to see Medicare and Medicaid basically break the federal budget." The current healthcare debate is essentially holding the periodic Medicare and Medicaid reform hostage to insert a giant new program into the federal government, "paying" for it with the savings of spending we never had. The federal budget clearly needs the cost cutting of Medicare and Medicaid reform in order to prevent the record deficits from expanding further, though the grand new commitments of the healthcare package would do virtually nothing to prevent the deficit from widening further. According to the CBO, it would pare off a mere \$132 billion from an estimated \$11,000 billion in deficit spending over the next 10 years under President Obama's "A New Era of Responsibility" fiscal 2010 budget proposal.

Photo of Vice President Biden and President Obama on Christmas Eve: AP Images



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