



Written by [Bob Adelman](#) on March 10, 2010

Obama Healthcare II Is Financial Lunacy

Even if the Obama administration is able to persuade (or bludgeon) enough Democrats into passing his latest version of healthcare, it would still be financial lunacy.

Last summer CNS News [reported](#) on the Congressional Budget Office's analysis of President Obama's initial public offering for healthcare, which they called "fairly blistering ... concerning the ability of the ... plans to save money and control health care costs for the long term." According to CBS, the Director of the CBO, Doug Elmendorf, told the Senate Budget Committee that none of the bills he has seen would reduce health care costs: "In the legislation that has been [analyzed so far] we do not see the sort of fundamental changes that would be necessary to reduce the trajectory of ... health care spending by a significant amount.... On the contrary, the legislation significantly expands the federal responsibility for health care costs."



Although CBS at the time considered the report by CBO as sounding the "death knell" for Obamacare, it, like a zombie, keeps coming back to life. [CBS said](#) that Obama's plans for "universal coverage helps drive health care providers out of business, that it leads to incredibly onerous increases in taxes, and that current plans ... will only serve to push down wages, increase the complexity of the health care system, and stick us with yet another unaffordable entitlement."

David Brooks, a columnist for the *New York Times*, agreed with the CBO that such proposed legislation would do nothing to control costs since the plans "do not affect the fundamental incentives" to accomplish that. And Keith Hennessey, former head of the National Economic Council, affirmed that conclusion, saying, "I can find nothing that would provide ... incentives to consumers, medical professionals, health plans, employers or government to slow the growth of long-term private health care spending." Hennessey wasn't finished: "The bills not only fail to reduce health care [costs], they make it *harder to fix the larger fiscal mess*" [emphasis added] by adding an additional \$1.3 trillion in new federal healthcare spending. Senate Republican Leader Mitch McConnell concurred:

The President said that rising health care costs are an imminent threat to our economy and that any reform must reduce these long-term costs. But CBO has made clear once again that the Democrats' bills in Congress aren't reducing costs and in fact could just make the problem worse.

And House Republican Leader John Boehner weighed in against the bill, saying that the CBO report "underscores the enormous challenges that Democrats face trying to pay for their massive and costly government takeover of health care. In their rush to pass a bill, Democrats continue to ignore the stark



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economic reality facing our nation.”

?When the administration recently buffed up that legislation, the CBO wasn't able to analyze it in time for the highly publicized seven-hour-long Blair House Summit on February 25. [New Ledger](#) said that the White House deliberately withheld the updated legislation until after the summit because “a CBO score would reveal many of the things about this bill that the White House doesn't want to have to deal with: the fact that [the new bill] won't lower premiums, that it will cost a great deal of money, and that at the end of the day, little is likely to change because of it.”

Commentary magazine [summed it up](#) this way: “What we don't know is why anyone who opposed the last version(s) of ObamaCare would accept this one. It is still a mammoth tax-and-spend bill and still seeks to federalize healthcare.”

Enter now Erskine Bowles, former Clinton White House chief of staff and now the co-chairman of the commission on deficit reduction. In a speech on Tuesday to some North Carolina bankers, Bowles said that unless existing out-of-control entitlements are not curtailed, failure to do so will turn America into a “second-rate power”:

We're going to [have to] mess with Medicare, Medicaid and Social Security because if you take those off the table, you can't get there. If we don't make those choices, America is going to be a second-rate power and I don't mean in 50 years. I mean in my lifetime. [Bowles is 64.] All of our revenue is completely consumed by entitlements. This is today, not some forecast into the future. Every dollar we spend on the military, homeland security, transportation, education and research is borrowed. That is a recipe for disaster.

And that's why the public ire over ObamaCare II is so high. Adding this new entitlement program simply hastens that day when America becomes “second rate.” In the *Wall Street Journal*, pollster [Scott Rasmussen](#) pointed out that “one of the more amazing aspects of the health-care debate is how steady public opinion has remained [against the healthcare legislation]. Despite repeated and intense sales efforts by the president and his allies in Congress, most Americans consistently oppose the plan.” In fact, Rasmussen points out that “senior citizens — the people who use the health-care system more than anybody else and who vote more than anybody else in midterm elections — are more opposed to the plan than younger voters. For every person who strongly favors it, two are strongly opposed.”

There are two reasons why Americans are opposed, according to Rasmussen. Most voters think reducing spending is more important than reducing the deficit. “But,” Rasmussen added, “the bigger problem is that people simply don't trust [the Obama administration's] projections.” An amazing 81 percent of voters say that the Obama healthcare plan is likely to cost much more than projected, while a significant majority believe that the plan will result in both higher deficits and higher taxes. Rasmussen puts it succinctly: “The notion that you need to spend an additional trillion dollars doesn't make sense. If the program is supposed to save money, why does it cost anything at all?” Rasmussen concludes:

The reason President Obama can't move the numbers and build public support is because the fundamentals are stacked against him. Most voters believe the current plan will harm the economy, cost more than projected, raise the cost of care, and lead to higher middle-class taxes.

Not to mention hastening the time when America would become a “second-rate power.”



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