



ObamaCare Already Exceeds Projections

Benjamin Franklin famously said that the only two certainties in life are death and taxes. It's time to add another certainty to that list: Any government program will end up costing far more than estimated at its inception.



Medicare is probably the most famous illustration of this truism. In an outstanding article entitled "[The Medicare Monster](#)" in the January 1993 issue of *Reason*, Steven Hayward and Erik Peterson wrote:

At its start, in 1966, Medicare cost \$3 billion. The House Ways and Means Committee estimated that Medicare would cost only about \$12 billion by 1990 (a figure that included an allowance for inflation). This was a supposedly "conservative" estimate. But in 1990 Medicare actually cost \$107 billion.

Seventeen years after Hayward and Peterson penned that piece — written the last time a Democrat-controlled Congress and White House tried to ram through a federal takeover of healthcare — it is more relevant than ever. Congress and the Obama administration having just foisted mandatory health insurance on us, the administration's deliberately lowball estimate of the mandate's cost is already being revealed for the sham that it is.

Reports the Associated Press: "President Barack Obama's new health care law could potentially add at least \$115 billion more to government health care spending over the next 10 years, congressional budget referees said Tuesday." According to the Congressional Budget Office, these costs were not included in earlier estimates for two reasons: (1) because they result from discretionary spending that Congress may or may not approve (though when was the last time Congress refused to fund anything, let alone something as sensitive as healthcare?); and (2) because the legislation was rushed through Congress so quickly that the CBO didn't have enough time to calculate the costs fully before passage. Thus, just seven weeks after Obama signed his healthcare "reform" bill into law, it is already likely to cost 12 percent more than projected. You don't have to be Nostradamus to foresee actual costs dwarfing the \$1 trillion estimate long before the next decade is out.

The additional cost also wipes out nearly all of Obama's alleged deficit reduction, which was supposed to be \$143 billion over the next 10 years. (This claim of deficit reduction in itself [barely resembles truth](#): The Obama bill assumes that future healthcare spending will explode and that the new bill will merely reduce the future exploding costs by \$143 billion.) Of course, the administration claims it won't allow this to happen, saying that "Obama would demand that added spending be offset with cuts in other domestic programs," according to the AP. Don't hold your breath.

Then again, the idea that a massive new federal program costing over \$1 trillion in its first decade alone was ever going to result in a net savings for taxpayers was always a mirage. Medicare, too, was supposed to do the same thing, as Hayward and Peterson noted:

Congress generally dismissed fears of cost overruns. Rep. Claude Pepper (D-Fla.) said: "The cost will not be greater than our present efficient [sic] and wasteful fee-for-service system. According to experts the charge to the average family under a national health-insurance program will actually be less than it pays now, partly because the employer and government will contribute to



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the fund.”

Here’s one more certainty to tack on to Franklin’s maxim: In Washington, the more things change — even when it’s “change we can believe in” — the more they stay the same.

Michael Tennant is a software developer and freelance writer in Pittsburgh, Pennsylvania.



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