



Written by [Michael Tennant](#) on January 28, 2015

ObamaCare to Cost \$2 Trillion to Cover Fewer Than Half of Uninsured

Over the next decade, the federal government is poised to spend nearly \$2 trillion getting people insured under ObamaCare, according to the latest [budget projections](#) from the nonpartisan Congressional Budget Office (CBO). That comes to at least \$73,814 per covered individual, most of which is not funded by the Affordable Care Act's (ACA) taxes and penalties despite President Barack Obama's claim that the law wouldn't increase the deficit. And to top it all off, it will still leave tens of millions of Americans uninsured.



The CBO's ObamaCare forecast, created in conjunction with Congress' Joint Committee on Taxation, projects the budgetary impact of the ACA's insurance-coverage provisions from 2015 to 2025. The CBO estimates that the total cost of subsidies and other insurance-exchange expenses, additional spending on Medicaid and the Children's Health Insurance Program (CHIP), and tax credits for small employers will be \$1.993 trillion. The agency further estimates that over that same time period, between 24 million and 27 million people will gain coverage that they would not have obtained in the ACA's absence. Thus, even in the best-case scenario, taxpayers will be soaked for a whopping \$73,814 for each individual obtaining coverage under ObamaCare.

Almost half that total cost, \$920 billion, is a result of the ACA's expansion of Medicaid plus the continued funding of CHIP. In 2015, the CBO expects an extra 11 million Medicaid and CHIP enrollees owing to the healthcare law, with annual increases of 13 million to 16 million in subsequent years. Most of the remaining cost comes from exchange subsidies, which are expected to rise from about \$5,000 per enrollee in 2016 to almost \$8,000 per enrollee in 2025.

At the same time as these costs are increasing rapidly, the CBO estimates that the ACA will only bring in \$643 billion to the Treasury, including \$164 billion in employer penalties, \$47 billion in individual penalties, and \$149 billion in excise taxes on high-premium insurance plans. In addition, the agency believes that 9 million to 10 million fewer Americans will have employer-based health insurance by 2025, many of them because their employers simply stop offering it and instead give them higher wages to compensate. Since these higher wages, unlike employer-sponsored insurance, are taxable, the CBO expects the government to garner an additional \$292 billion in income and payroll taxes (\$284 billion once additional Social Security benefits because of higher wages are taken into account).

Needless to say, \$643 billion is a far cry from \$2 trillion — so far, in fact, that even taking new revenues into account, ObamaCare is still going to cost taxpayers at least \$50,000 per covered individual over the next 10 years.

Obama, of course, [promised](#) in 2009 that he would “not sign a plan that adds one dime to our deficits — either now or in the future.” He also said that his healthcare plan would only “cost around \$900 billion



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over 10 years.”

“It would be a significant discount if the White House could return to that number today,” remarked the [Daily Mail](#) (U.K.). At the time, Obama claimed there were about 30 million uninsured Americans, the paper noted, adding, “\$900 billion spent on those people would equate to no more than \$30,000 each — less than two-thirds of what the CBO now says the program will cost when the dust settles.”

One reason Obama was able to make these claims was that the ACA was deliberately front-loaded with new taxes and back-loaded with new spending. Explained the CBO: “As time has passed, projected costs over the subsequent 10 years have risen because the period spanned by the estimates has changed: Each time the projection period changes, a less expensive early year is replaced by a more expensive later year.”

Indeed, despite all the hoopla about lower deficits in recent years, the truth is that the smaller budget shortfalls are but a brief lull in the midst of an ongoing flood of red ink, and much of the blame for upcoming deficits can be laid at the feet of ObamaCare. The deficit is expected to begin rising rapidly in 2017 — conveniently, after Obama has left office — and reach \$1 trillion again in 2025.

“All that red ink,” observed the Daily Caller’s [W. James Antle III](#), “comes without another Great Recession, with the country’s biggest wars supposedly ending, without any new big-ticket spending items.”

One-third of the total budget growth over the next decade comes from healthcare spending, much of which — think Medicaid expansion and insurance subsidies — is attributable to ObamaCare. By 2030, entitlements and debt-interest payments are expected to consume all tax revenues, and by 2039, the net federal debt will probably be larger than the entire national economy.

“Think about that the next time you read a White House statement about ‘deficit-reducing health care reform,’” wrote Antle. “Obama has been pretending you can be Calvin Coolidge and Lyndon Johnson simultaneously for quite some time.”

To make matters worse, if the CBO is right, the ACA won’t even cover as many people as it leaves in the lurch. The agency, as noted above, estimates the law will help up to 27 million Americans obtain coverage by 2025; yet it still expects 31 million people, or “roughly one out of every nine residents under age 65,” to remain uninsured.

For this Americans were saddled with a gigantic, murky law and even more extensive and impenetrable regulations; massive and intrusive new bureaucracies; higher taxes; violations of their religious freedom; losses of health plans and providers they liked; reductions in their work hours; and sundry other deprivations? Is it any wonder, then, that “lack of transparency,” in ObamaCare architect [Jonathan Gruber’s](#) turn of phrase, was “a huge political advantage” in getting the ACA passed?



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