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Union Report Criticizes ObamaCare

Though labor unions have been some of President Obama's biggest advocates, a recent report from a major union reveals trouble in paradise. According to the report, Obama's prized healthcare law will further worsen income inequality.

The report makes sure to defend the overall intent of ObamaCare, but cannot ignore the fact that it will increase the wealth for insurance companies while simultaneously hurting workers.

"The promise of Obamacare was the right one and the hope for extending healthcare coverage to the un- and under-insured a step in the right direction. Yet the unintended consequences will hit the average, hard-working American where it hurts: in the wallet," the report begins, reiterating a concern that has been voiced by Republicans since the healthcare law was passed.

Entitled "The Irony of Obamacare: Making Inequality Worse," the report, put out by United Here — a hospitality industry union — observes that the law helps transfer billions of dollars to health insurance companies, makes the playing field in the health market more uneven, and may force employers to cut employee hours or decrease employee pay.

According to the report, it is "ironic" that the administration has openly discussed income inequality while also supporting a healthcare system that increases income disparity.

"Having already made efforts to accommodate businesses, churches and congressional staff, it is ironic that the administration is now highlighting issues of economic inequality without acting to preserve health plans that have been achieving the goals of the ACA for decades," the report concludes. "Without a smart fix, the ACA will heighten the inequality that the Administration seeks to reduce…. We cannot sit idly by as the politicians carve up our health plans while they carve out exceptions for themselves and every special interest feeding at the trough in Washington."

The report warns, "If employers follow the incentives in the law, they will push families onto the exchanges to buy coverage. This will force low-wage service industry employees to spend $2.00, $3.00 or even $5.00 an hour of their pay to buy similar coverage.''

The report's findings are proving to have a detrimental effect on Obama's relationship with the unions. Fox News reports:

> With culinary workers in Las Vegas threatening to shut down the Strip with an ObamaCare-fueled strike, the issue is reaching a boiling point for already-divided Democrats. Big labor's complaint about the law relates to targeted taxes that penalize benefits plans that provide "Cadillac" health coverage. Such benefits are the key selling point for many unions. ObamaCare poses a major threat to already flagging private-sector union membership.

"The biggest hurdle to reaching settlements in Vegas is the new costs imposed on our health plan by Obamacare," Donald Taylor, president of Culinary Union's parent union Unite Here, told BuzzFeed last week. "Even though the president and Congress promised we could keep our health plan, the reality is, unless the law is fixed, that won't be true."

Of course, the Culinary Union's criticisms of ObamaCare are rather ironic themselves since the unions were some of the biggest proponents of the healthcare law at the time it was being debated and prepared for a vote. An editorial in the *Review Journal* observes, "Obamacare is the law because of the Culinary's political activism. The Culinary and the rest of organized labor poured untold millions of dollars and thousands of volunteer hours into the election campaigns of President Barack Obama and the Democrats who wrote and passed Obamacare, and the unions championed the reboot of American health insurance."

And rather than admit that their support for ObamaCare was misguided and joining efforts to repeal the law, the Culinary Union instead wishes to impose the financial burden onto the hotels, (which burden would then be transferred to tourists) and wants the federal government to provide exemptions to the unions while allowing the rest of the taxpayers to continue to bear the burden.

Still, the backlash from the unions does not look good for the Obama administration. A strike authorization vote is scheduled for March 20, which will determine how the union wishes to proceed.

This report certainly is not the first blow to ObamaCare to come from outside of the GOP.

Congressional Budget Office director Douglas Elmendorf testified before the House Budget Committee on February 5, stating that ObamaCare provides a "disincentive for people to work." Elmendorf's statement followed a controversial report released by the Congressional Budget Office that provides details on how millions of workers would cut their hours and opt out of the job market in order to retain the benefits provided by the healthcare law.

The Congressional Budget Office is as a non-partisan governmental entity, which serves to forecast the impact of governmental policies on future government revenues. Its findings on the economic impact of ObamaCare are disheartening.

Both Elmendorf and the union report observe that the impact of the healthcare law is particularly detrimental to the middle class. With fewer Americans rising above poverty into the middle class, Americans who remain in the middle class will be strapped with the task of paying for the healthcare of those who have dropped out of the workforce. Or, future generations of Americans will be tasked with the job of having to repay what is being borrowed to subsidize those who are currently benefiting under ObamaCare.

With just three weeks remaining before the enrollment deadline for ObamaCare, the Obama administration cannot afford to suffer any more blows to its healthcare program. Though officials claim four million people have signed up for private insurance thus far, assuming those figures are correct, the program is still short of its seven-million-person goal.