

The real agenda behind Obama's health care "reform"

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Major presidential addresses in the United States are generally characterized by a certain political schizophrenia, as the chief executive provides one message for popular consumption and another message to the ruling elite. This was certainly the case with the speech Obama gave Wednesday night on health care.

To an increasingly skeptical public, including large numbers of senior citizens concerned that their Medicare coverage will be reduced, Obama presented his proposal as a "progressive" measure aimed at expanding care to the uninsured and checking the antisocial practices of big insurers concerned with nothing but profit.

To the people who really count in Washington—the American ruling elite and their political representatives in both parties—Obama got down to business. Rising health care costs, including Medicare and Medicaid, were draining the national budget and making US corporations uncompetitive. Hundreds of billions would have to be wrung out of health care spending by reducing "waste and abuse" and introducing efficiencies, such as placing caps on what tests and treatments doctors could provide their patients.

Far from a "government takeover" that would undermine the operations of the capitalist market and the principle of for-profit medicine, Obama assured the ruling elite that his plan would not interfere with the operations of the giant health care monopolies.

Obama explicitly rejected a "single-payer system like Canada's," while declaring, "Health care represents one-sixth of our economy" and it "makes more sense to build on what works and fix what doesn't, rather than try to build a entirely new system from scratch." He also made clear that he was willing to drop support for the so-called "public option," which is opposed by private insurers.

Wall Street and the big insurers got the message. The day after the speech, share prices for health insurers surged: UnitedHealth by 17 cents to \$28.57; WellPoint by 96 cents to \$53.80; Aetna by 59 cents to \$29.84; and Humana by \$1.12 to \$39.19. The Dow Jones Industrial Average extended its five-day rally, closing at its highest level since October.

"Managed-care stocks fell last spring on their decline in profitability and Obama's election," the investors' web site

Smartmoney.com noted. "But each company has seen double-digit gains in the last three months as the prospects for a large government insurance program diminished. Obama's address Wednesday didn't change investor's sentiment."

Obama began his remarks by insisting that the long-term interests of American capitalism had to prevail over political maneuvering between Democrats and Republicans. He noted that the last time he had spoken before Congress, "this nation was facing the worst economic crisis since the Great Depression" and "our financial system was on the verge of collapse."

Under those conditions, partisan differences had largely been put aside and both parties closed ranks to vote for a further bailout of the banks, despite widespread popular opposition. "I want to thank the members of this body for your efforts and your support in these last several months, and especially those who have taken the difficult votes that have put us on the path to recovery."

Reining in health care costs is no less crucial for the American ruling elite, he insisted, chiding the Republicans for using the debate "as an opportunity to score short-term political points, even if it robs the country of our opportunity to solve a long-term challenge."

Obama spent a few moments referring to the genuine crisis facing tens of millions of families without health insurance or those who are being bankrupted by skyrocketing insurance premiums. He shifted quickly to the main theme: rising health care costs were undermining US corporations and threatening the solvency of the US government.

"Insurance premiums have gone up three times faster than wages," he complained, adding, "American businesses that compete internationally—like our automakers—are at a huge disadvantage."

This has long been a major complaint of corporate America. Between 1974 and 2008, real manufacturing wages fell by 5.38 percent, but big business has been unable to fully benefit from the attack on workers' wages because of rising medical costs, particularly for workers who were living longer after retirement.

In 2005, Steve Miller, then CEO of auto parts giant Delphi, lamented that workers were no longer retiring at 65 and dying

at 70, but were living and collecting health care benefits decades after they stopped making profits for corporations. (Miller, who helped lead the attack on wages and benefits of auto workers, is quoted on the front cover of a recent book on health care by Ezekiel Emanuel, one of Obama's chief health care advisers.)

The real agenda of the Obama administration can be seen in the forced bankruptcies of General Motors and Chrysler, where hundreds of thousands of retirees and their families were stripped of their dental and optical care and forced to pay increased premiums and co-pays. The restructured corporations will be largely relieved of their "legacy" costs, i.e., the health care obligations owed to workers who labored their entire lives for these companies.

In his speech, Obama said he would impose a fee or tax on health insurance companies for "their most expensive policies," in order to help pay for his plan. He presented this as a means by which the public could recoup some of the vast profits these companies would receive from the wave of new customers who would be compelled to buy insurance under the plan. In reality, the measure is actually an incentive for corporations to drop employer-paid benefits or sharply curtail them because the cost of the fee will be passed on to corporations in the form of higher premiums.

According to the *New York Times*, the proposal, originally introduced by Massachusetts Democratic Senator John Kerry, "would encourage employers to buy cheaper, less generous coverage for employees, thereby reducing excessive use of medical services."

Moreover, under the terms of the bill being worked out by Montana Democrat Max Baucus, the chairman of the Senate finance committee, employers would not be required to cover their workers at all. Those that do not will have to pay a fee for each employee who received a tax credit for coverage bought through a health insurance exchange. The maximum assessment on employers would be equal to \$400 for each employee—far below the current costs employers pay to maintain health care coverage for their workers.

Workers who choose not to (or cannot) buy insurance would be punished at a far higher rate. Under the Baucus plan, for those with incomes between 100 percent and 300 percent of the poverty level—\$10,830 for an individual and \$22,050 for a family of four—the penalty for not having coverage would be \$750 a year per person, with a maximum penalty of \$1,500 for a family.

Continuing on this central theme of cost-cutting, Obama blamed federal health care programs for bringing the country to the brink of financial collapse. "If we do nothing to slow these skyrocketing costs, we will eventually be spending more on Medicare and Medicaid than every other government program combined. Put simply, our health care problem is our deficit problem. Nothing else comes close."

This lie was specifically endorsed by the *New York Times*,

whose lead editorial Thursday stated, "Mr. Obama was absolutely right when he said that the relentless rise in the cost of Medicare and Medicaid is crippling the nation's economy."

In fact, the cost of the federal health care programs pales in comparison to the massive bailout of the banks—which the inspector general of the Troubled Assets Relief Program (TARP) estimates could cost \$23 trillion—the defense budget, including the wars in Afghanistan and Iraq, the interest paid out to the banks profiting from the financing of the federal deficit, and the tax cuts handed over to the wealthy over the last three decades.

The president claimed that suggestions that senior citizens would see their Medicare coverage slashed were only "scare tactics" by his Republican critics. In fact, such reductions in services are at the center of the president's plan.

Obama said he would "eliminate hundreds of billions of dollars in waste and fraud" from Medicare and Medicaid, without providing details of what would be cut. He made it clear, however, that a commission of "medical experts" would determine what the most efficient and cost-effective treatments were. This, in turn, would "usher in changes in the way we deliver health care that can reduce costs for everybody."

The president also endorsed a so-called "deficit trigger," which, according to the *Times*, would "automatically reduce the growth of Medicare spending if health care overhaul does not produce the savings that the administration and many health care experts expect."

The details of the plan remain largely hidden from working people, while furious negotiations are being conducted behind the scenes between health care lobbyists and their bought-and-paid-for representatives in Congress.

Obama's speech has done nothing to clarify the content of the proposals in the minds of millions of people, or to alleviate the growing unease over health care "reform." In contrast to the push for Social Security and Medicare in an earlier period, the supposed beneficiaries of Obama's plan have little idea what to expect. The explanation for this lies in the fact that the Obama administration is seeking to conceal its real agenda from the American population.



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