

US Congress poised to pass Obama's cost-cutting health plan

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Barack Obama spoke Friday in northern Virginia, making a final pitch for passage of his health care legislation. The rally at George Mason University culminated a weeks-long public relations blitz for the plan, in which the president has sought to present its cost-cutting features as a boon for ordinary Americans.

On Friday, he repeated a formulation he has used of late, claiming demagogically that minimal protections for health care consumers in the legislation are “like a patient’s bill of rights on steroids.” He went on to state that the final vote on the bill in Congress boiled down to “whether we still have the guts and the courage to give every citizen, not just some, the chance to reach their dreams.”

In reality, Obama’s health care plan will increase private insurance company profits, slash hundreds of billions of dollars from the Medicare program for the elderly, and set into motion a series of measures that will result in reduced care and rationing of services for the vast majority of working families. The legislation has nothing to do with “reform” of the health system to expand and improve care, but is aimed rather at radically reducing government spending and business costs.

As Obama addressed his mostly student crowd, House Democratic leaders were scrambling to assemble the 216 votes necessary to pass the legislation. If all works to plan, the House will vote Sunday to approve the previous Senate version of the bill along with an accompanying package of amendments. The reconciled bill would then be sent to the Senate for approval by a simple majority vote, then on to the president to be signed into law.

The White House got a boost Thursday with the release of a report from the Congressional Budget

Office (CBO) that estimated the Obama plan had a \$940 billion price-tag and would reduce the federal deficit by \$138 billion over 10 years. In the yearlong wrangling over provisions of the legislation, Obama has consistently pledged that it would not add “one dime” to the federal deficit.

The Democratic leadership was “absolutely giddy” over the CBO’s report, according to House Majority Whip James Clyburn, Democrat of South Carolina, as it gave Speaker Nancy Pelosi and White House officials new ammunition to sway reluctant, mainly conservative House Democrats to commit to a “yes” vote on Sunday.

With the release of the CBO report, the White House and Democratic leaders largely reverted to selling their plan as a means of reining in soaring federal deficits and a model for more sweeping cuts in social “entitlement” programs to come.

As of Friday afternoon, Democratic leaders were still about a half dozen votes shy of the 216 votes needed. Pelosi and Obama administration officials were confident, however, that they would garner the requisite votes, and the White House was sending out alerts to the press every time a Democratic House member agreed to support the legislation.

Rep. Dennis Kucinich, Democrat of Ohio, switched his vote from “no” to “yes” on Wednesday, throwing in his lot with the Obama plan after months of opposing it because it did not include a public option and would leave “patients financially vulnerable to insurance companies.” His move followed some one-on-one coaxing from Obama. (See “Kucinich throws his support behind Obama health care bill”)

Other Democratic members of the House who voted “no” on the November House bill, but now say they will vote “yes,” include Bart Gordon (Tennessee),

Betsy Markey (Colorado) and John Boccieri (Ohio).

Rep. Luis Gutierrez, Democrat of Illinois, who had threatened to oppose the bill because of provisions barring undocumented immigrants from purchasing insurance, said Thursday he would vote for the legislation.

While Democratic leaders have worked to convince House Democrats to vote in favor of the bill, they have also been engaged in negotiations over who will be given permission to vote against it. A number of Democrats fear a backlash at the polls this November due to the growing popular opposition to the plan, particularly the proposed cuts to Medicare. In closed-door meetings, Pelosi and party leaders are meeting one on one with these potentially vulnerable Democrats.

In an article Thursday, the *New York Times* noted some of the criteria being used to determine who gets the go-ahead to publicly oppose the bill: “Who won by the smallest margin? Which districts have smaller black populations, a traditionally reliable vote? Who voted for the somewhat different version of the legislation in November and is going to be attacked by Republicans for that vote regardless of what they do this weekend?”

Exposed in this cynical horse-trading is the fact that despite Obama’s efforts to convince the American people that the legislation constitutes a genuine reform in their interests, most view it with skepticism or oppose it outright. A Gallup poll released Friday showed that only 28 percent of those surveyed thought the health care bill would make things better for them and their families, while 37 percent said it would make things worse. Only 39 percent of those polled said they believed the health legislation would make things better for the US as a whole.

In fact, it constitutes a boondoggle for the insurance companies, who will gain millions of new customers. Individuals and families will be required to purchase coverage, or face a penalty if they do not—up to 2.5 percent of income by 2016. Employers will be under no obligation to provide insurance to their workers and will face only minimal fines if their employees receive government subsidies to purchase insurance from private firms on the health care exchanges that are to be set up.

About half of the estimated 32 million people who will get insurance under the plan will be insured through Medicaid, the health program for the poor and

disabled jointly administered by the federal government and the states. States are already struggling to fund Medicaid, and many doctors have stopped accepting patients from the program because they are poorly compensated for their services or don’t receive payment at all.

The tax on so-called “Cadillac” health plans will be delayed from the schedule proposed in the Senate version of legislation. Plans will be taxed at a 40 percent rate for that portion of premiums costing more than \$10,200 for individuals and \$27,500 for families, beginning in 2018 instead of 2013. The number of plans taxed is expected to rise yearly as insurers raise premiums.

This tax will be born in full by millions of workers, including many trade unionists, who receive insurance under company-sponsored plans. Their benefits will be cut and their out-of-pocket costs increased.

Despite Obama’s claims that premium prices will be held down as a result of his plan, there are no provisions that would prevent the insurance companies from doing so. The watchdog government panel proposed by Obama with much fanfare before last month’s bipartisan health care summit—the Health Insurance Rate Authority—has been eliminated from the bill.

Obama’s plan includes the establishment of a new body—the “Independent Payment Advisory Board”—to root out “waste and abuse” in the Medicare program. This unelected body of presidential appointees will wield broad powers to reduce costs and services and rewrite Medicare regulations. The changes this panel proposes can be overruled only by a super-majority vote in Congress.



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