The US health care overhaul and the social rights of the working class

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The health care exchanges established as part of the Obama health care legislation are scheduled to open for business on October 1, with implementation of the Affordable Care Act (ACA) set for January 1, 2014. The federal government and states are scrambling to set up the insurance exchanges where individuals and families without insurance will be required to purchase insurance or pay a penalty.

Following passage of the bill on March 21, 2010, President Obama hailed the measure as an historic reform and the embodiment of the "American dream." In the three-and-a-half years since, the legislation has been increasingly exposed as a thoroughly regressive measure, part of a fundamental attack on health care for the vast majority of the population, and specifically tailored to cut costs for the government and corporations.

The WSWS wrote at the time that the health care bill "represents the opening shot in a sweeping attack on health care for working people." This statement has been vindicated time and again. The program set to launch January 1 will be even more reactionary than the legislation signed into law by Obama in 2010.

Big business is seizing on the ACA to shift retirees and active workers to private insurance exchanges, where the burden of inadequate care will be placed on them. In place of employer-administered health plans, these workers will receive a health care stipend that they can use to purchase coverage on a private insurance exchange.

Companies employing tens of thousands of workers are making this move. Among others, IBM and Time Warner are shifting retirees to private exchanges, while Walgreens, Sears Holding, and Darden Restaurants are moving all active employees off their company-administered health plans to these exchanges.

State and local governments are seeking to trim health care costs by dumping active and retired workers onto the government-sponsored health care exchanges as well. The City of Detroit, which has filed for bankruptcy, aims to drastically reduce the $5.7 billion owed to retirees in health benefits by pushing those 65 and older onto Medicare and dumping those too young to qualify for the government-run program onto the ACA insurance markets.

Big business and the private insurers have lobbied the Obama administration to remove any token regulations contained in the legislation that might impede their profits. This past July, the White House announced that it would be delaying by one year an ACA requirement that businesses with 50 or more employees provide insurance to those working 30 hours a week or more. Companies will not be fined the $2,000 stipulated in the bill for failure to provide this coverage. Meanwhile the "individual mandate," which requires those without insurance to obtain coverage or pay a fine, remains in place.

And last month, the president ditched another so-called consumer protection provision of the legislation, granting a one-year grace period for insurers to adhere to limits on out-of-pocket health care costs. Obama—who touted this cap on costs as a protection for families against bankruptcy due to a catastrophic medical condition, or the high cost of certain treatments and drugs—will allow insurers to continue to gouge the insured to the tune of tens of thousands of dollars.

In May, a largely undetected loophole in the ACA rules came to light indicating that some larger employers will be able to provide bare-bones coverage that offers minimal requirements such as preventive services, but may not provide coverage for surgeries, hospital stays, or other vital services. Companies

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providing these “skinny plans” will be able to dodge the $2,000 per worker penalties for failure to provide adequate and affordable coverage.

A cornerstone of the health care overhaul is the gutting of Medicare, which serves an estimated 50 million seniors. The bill proposes a $700 billion cut to the government-run program over 10 years. Doctors have already begun to limit the number of Medicare patients they treat or drop them altogether as the ACA takes aim at the fee-for-service system and imposes new evaluation and payment procedures for Medicare doctors aimed at eliminating “unnecessary” tests and procedures.

Despite promises that the health care bill would provide “near universal coverage,” the Congressional Budget Office predicted earlier this year that 30 million people will remain uninsured two years into the legislation, in 2016. Many more will be underinsured, either due to cutbacks through their employer-sponsored plans or their inability to purchase anything but the cheapest, inferior plans on the government-run health care exchanges.

As the WSWS analyzed correctly at the time, the health care overhaul was the first step in what has developed into a wholesale assault on all the social programs and rights of the working class. It signaled a drive by the Obama administration and the ruling elite to restructure class relations in America, establishing one set of standards for the super-wealthy and another for the working class.

The day after the passage of the Affordable Care Act, the WSWS wrote: “Obama’s health care counterrevolution is of a piece with his entire domestic agenda. It parallels the multi-trillion-dollar bailout of the banks, the imposition of mass layoffs and wage and benefits cuts in the auto industry, and a stepped-up attack on public education and on teachers.”

In opposition to those who claimed at the time that there must be *something* progressive in the legislation, we argued: “All of Obama’s policies have been geared toward *increasing* social inequality… The claim that the health care overhaul is an oasis of progress in this desert of social reaction is simply a lie.” These words have proven correct, as social inequality has now reached levels not seen in nearly a century, and official poverty levels have risen to a near-generation high of 15 percent, with more than 46 million Americans impoverished.

This immense growth of social inequality and the domination of society and the political system by a financial aristocracy are incompatible with a government that maintains any vestige of democratic norms. The assault on health care encompassed by the Affordable Care Act was the Obama administration’s first volley in its assault on social rights. The social reforms of the 1930s and 1960s, including Social Security and Medicare, won by previous generations of workers in bitter struggle, are in the sights of the ruling class and targeted for ultimate destruction.

The trajectory of the Obama administration’s health care reform demonstrates the incompatibility of the private ownership of the means of production with the basic social rights of the working class. The provision of universal, quality health care requires taking the profit out of health care and placing the entire health care industry—the insurance companies, pharmaceuticals, and the giant health care chains—on socialist foundations.

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