

Obamacare exposed: The gutting of health care for workers

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The Affordable Care Act (ACA), Barack Obama's signature domestic policy, is being exposed on a daily basis as a counter-reform aimed at a restructuring of the US health care system in the interests of big business. The president's repeated claim that the law will provide access to affordable, quality health care for the American people is a calculated lie.

A true reform of the health care system in the US would provide universal access to high-quality medical care. It would train thousands of new doctors, nurses and other health care professionals. It would dedicate billions of dollars to research into the prevention and eradication of disease. It would improve the quality of life and extend life expectancy in line with the advances in medical technology.

The health care overhaul commonly known as Obamacare will do none of these things. It will do the exact opposite by deepening the class divide when it comes to the provision of health care in America. The ACA will cut costs dramatically for employers and the government while reducing and rationing medical services for millions of ordinary people—while boosting the profits of the health care industry.

In remarks before the Wall Street Journal CEO Council on Tuesday, Obama emphasized that his health care overhaul was based on the “existing private insurance system.” In fact, it extends the sway of the capitalist market over the provision of health care. Its key provision requires those without insurance to purchase coverage from private insurers or pay a fine, to be enforced by the Internal Revenue Service. There are no real controls over the prices insurance companies charge, the out-of-pocket costs they impose, or the profits they extract from the exploitation of the health care needs of the people.

While attention has been focused on the technical

problems plaguing the federal HealthCare.gov site and the state exchanges set up under the ACA, the real debacle is the abysmal product that is being offered for purchase. The health care law stipulates that certain coverage is mandatory and that people cannot be denied coverage for pre-existing conditions, but there is nothing in the law to prevent the insurance companies from pricing policies on *their* terms and inflating premiums, deductibles and co-pays to more than compensate for these mandated services.

Working people shopping for coverage are facing the cruel reality that the “affordable” policies being sold through the Obamacare exchanges constitute “insurance” in name only. The cheaper “bronze” policies include massive deductibles, in many states topping \$5,000 for an individual and \$10,000 for a family, which must be paid in full before insurance coverage even begins. Co-pays and coinsurance for doctor visits, hospitalizations and other services have been hiked significantly when compared to the current individual insurance market.

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The consequences for those forced out of economic necessity to purchase these substandard policies will be devastating. Workers will either have to shell out thousands of dollars if a family member faces a significant health care event, or they will simply forgo treatment.

Those covered by these policies will be *less healthy* and face new health risks as a result of their Obamacare insurance. A child's infection will go untreated because it is too costly; a hospitalization will be cut short because a family cannot afford the coinsurance. People will suffer and die.

Others will choose not to purchase coverage and pay

the fine because either (1) they simply cannot afford the premiums, or (2) the coverage is so inferior—and the out-of-pocket expenses so high—that it is better to remain uninsured and pay the penalty. Insurers can be expected to jack up their premiums even higher if a dwindling pool of cash-paying customers results in what they consider an unacceptable drain on their profits.

By the government's own admission, the health plan that Obama pledged would provide "near universal health care" will leave 31 million people uninsured. These will include, among others, millions of the very poor whose resident states have chosen not to expand the Medicaid program, undocumented immigrants who are barred from receiving government subsidies, and those who cannot afford to buy coverage, with or without the small stipends.

It is also becoming clear that Obama's lie—"If you like your health care plan, you can keep your health care plan"—extends far beyond those who stand to lose their coverage in the individual insurance market. The majority of the US population, some 170 million people, are presently insured through their employers, and this vast market has been targeted by the insurance industry and businesses for a drastic overhaul along the lines of the Affordable Care Act.

Many employers have already begun transitioning their workers to high-deductible plans with steep out-of-pocket costs in anticipation of an ACA rule, postponed by Obama until 2015, which will require businesses with 50 employees or more to provide health insurance to their full-time workers. Big business has no intention of shouldering the costs for complying with this regulation, which instead will be passed down to workers. Some companies may simply choose not to comply and pay the nominal \$2,000 per employee penalty.

Other employers, both in the private sector and in state and local government, have already begun shifting retirees and in some cases active workers to private insurance exchanges modeled on the ACA exchanges. Some have dumped their workers directly onto Obamacare, offering them small stipends. Workers who for decades have traditionally received employer-sponsored coverage are now being thrown onto these exchanges to fend for themselves as individuals in the private market.

With these moves, a voucher-type system is being

instituted. Big business and its representatives in both political parties eye Medicare, the government-run health program for seniors and the disabled, and Medicaid, the program for the poor jointly administered by the federal government and the states, as the next big targets for privatization and dismantling. The Social Security retirement program is also in their sights.

The reactionary, pro-corporate character of Obamacare needs to be viewed in this light. For the political strategists of the corporate-financial elite, the longer life span achieved in recent decades—with workers living longer in retirement and their total health costs rising as a result—has created an undesirable state of affairs. The health care overhaul is aimed at drastically reducing medical services for ordinary Americans, resulting in a deterioration of the health of workers and their families and premature, preventable deaths.

The Affordable Care Act is of a piece with the entire anti-working class agenda of the Obama administration, which seeks to claw back the social gains won by workers in the course of a century of struggles, while increasing the wealth of the tiny elite at the top. The government that claims there is "no money" for vital social needs such as health care has spent trillions bailing out the banks and the auto industry and continues to pump out \$85 billion a month to prop up the stock and bond markets.

A real solution to the crisis of health care in America looks nothing like Obamacare. Health care is a social right that must be defended by the working class with its own program and perspective. Universal, quality health care can be achieved for the mass of the population only by dismantling the present for-profit health system and placing it on socialist foundations.



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