

# The launch of the Obamacare counterrevolution

Kate Randall  
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On January 1, plans sold by private insurers under the Patient Protection and Affordable Care Act (ACA) began to take effect. The government estimates that more than 2 million people have enrolled for coverage on the insurance exchanges since October 1, including on the problem-plagued HealthCare.gov federal site. Those newly insured under Obamacare have now begun to utilize their new coverage in visits to doctors, emergency rooms and to fill prescriptions.

On July 28, 2009, the *World Socialist Web Site* wrote of Barack Obama: “His drive for an overhaul of the health care system, far from representing a reform designed to provide universal coverage and increased access to quality care, marks an unprecedented attack on health care for the working population... It is a counterrevolution in health care, being carried out in the profit interests of the giant pharmaceutical companies, insurance conglomerates and hospital chains, as well as the corporations.”

Everything that has been learned so far about the cost and quality of this coverage confirms what we wrote more than four years ago:

- Private insurance companies are charging steep premiums on the Obamacare exchanges—some 30 percent higher than in the present individual market.
- The least expensive “bronze” plans carry deductibles as high as \$6,350 for an individual and \$12,700 for families, which must be paid in full before most coverage kicks in.
- A large percentage of bronze plans require full payment of the deductible before they cover many doctor visits, including for the flu, childhood illnesses or treatment for injuries.
- Co-payments for doctor visits average \$41 for bronze plans, compared to \$28 in the current individual market.

- Many bronze plans require cost sharing of as much as 40 percent of the price of some prescription medications. Many expensive drugs are not covered at all because they are not included in plans’ drug formularies.

- Insurers are significantly limiting the choice of doctors and hospitals available on their plans; in many states, only one or two hospitals are included in the Obamacare networks.

All of these factors will have the effect of restricting access to care, not expanding it. The health care “reform” was aimed *from the start* at cutting costs for the government and corporations, resulting in reduced medical care and rationing for the vast majority of Americans. Claims by the Obama administration that the president’s health care overhaul had anything to do with providing “near universal” access to quality, affordable health care have been exposed as a cynical lie.

The central component of Obamacare, the “individual mandate,” requires those without insurance through their employer or a government program such as Medicare or Medicaid to purchase insurance from private insurers on the insurance exchanges, with minimal subsidies available to those who qualify. There is virtually no government oversight on what private insurers can charge for policies that people *are mandated by law* to purchase.

While new enrollees are facing Obamacare sticker shock, the private insurance companies are celebrating a profit bonanza. The value of Standard and Poor’s health insurance index rose 43 percent through the third quarter of 2013. Since the passage of the ACA in March 2010, the value of the insurance industry’s common stock has soared by 200 to 300 percent. This is largely the result of insurance firms hiking premiums

in the employer-sponsored health care market, the way the majority of American workers and their families are insured.

Employers have been shifting health care costs onto their workforces since at least the late 1980s. Now, the Affordable Care Act is providing the framework and impetus for making even more dramatic changes.

Employers are increasing employees' share of premium costs and raising deductibles and other cost-sharing mechanisms. Some are shifting their employees to private exchanges, similar to the Obamacare marketplace, while others are dropping their coverage altogether and leaving workers to fend for themselves on the private market or through the ACA.

The launch of the president's signature domestic program in 2014 follows a year of brutal social cuts presided over by his administration. These include cuts of tens of billions of dollars from antipoverty programs and education and other social services through the "sequester" that began last March; the US government shutdown in October; cuts to SNAP, the food stamp program, beginning November 1; and the bipartisan budget agreement December 11 that slashes retirement benefits for federal workers while leaving the majority of sequester cuts in place. This vicious assault on the working class was capped with the Christmastime cutoff of jobless benefits for 1.3 million long-term unemployed workers.

As the *World Socialist Web Site* wrote at the time of the ACA's passage: "The claim that the health care overhaul is an oasis of progress in this desert of social reaction is simply a lie."

The implementation of Obamacare is an integral part of a social counterrevolution spearheaded by the Obama administration and implemented by both big-business parties. All those—such as the *New York Times* and pseudo-lefts and "liberals" of various stripes—who have argued that there must be some "progressive" kernel in Obamacare share political responsibility for a social agenda that has been exposed as thoroughly reactionary.

The implications are far-reaching. Obamacare's individual mandate essentially establishes a voucher system, whereby minimal government subsidies are given to individuals to supplement the purchase of insurance from private companies. Democratic and Republican politicians alike will inevitably seize on this

model to privatize and dismantle Medicare and Social Security, the key government programs wrenched from the ruling class through bitter working class struggles.

The politicians and the media will argue that these universal government-run programs are out of date and heading for bankruptcy and should be replaced by more "modern" market-based mechanisms that supposedly give "consumers" more options—à la Obamacare! Little will be said about the gutting of health care and pensions for seniors, or the huge profit windfall for the health care industry and corporations, that will result.

As the real implications of the health care counterreform become clearer to millions of people, the reality will inevitably provoke an enormous sense of anger and betrayal. Popular opposition must, however, find expression in a program that uncompromisingly fights for the social rights of the working class.

A true reform of the health care system in America—currently held prisoner to the profit motives of the health care industry and its political stooges in Washington—requires that it be based on a socialist program, which proceeds from the satisfaction of human needs, not the enrichment of a parasitic elite.



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