

Paul Krugman's apologia for Obamacare

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The US Supreme Court voted Thursday to uphold a key provision of the Affordable Care Act, the Obama administration's pro-business health care overhaul that cuts Medicare and fines households for being too poor to afford health insurance.

New York Times commentator Paul Krugman, a liberal apologist for the White House's uniformly right-wing policies, responded to the Supreme Court's decision by penning an op-ed column praising the legislation commonly known as Obamacare.

Krugman's column, headlined "Hooray for Obamacare," consists of one cynical lie after another aimed at convincing the public that Obama's right-wing health care overhaul is an historic achievement for low-income Americans.

Krugman declares that Obamacare is doing "better than even many supporters realize." He pronounces it a "policy triumph—a law that, despite everything its opponents have done to undermine it, is achieving its goals, costing less than expected, and making the lives of millions of Americans better and more secure."

The Affordable Care Act, signed into law by Obama in March 2010, provides partial government subsidies for low-income residents to purchase health insurance on state and federal "marketplaces" from private companies.

The first section of the Affordable Care Act's official write-up on the White House web site is titled "Quality, Affordable Health Care for All Americans," language that is intended to convey to the popular imagination that it is a means of creating a universal health care system similar to those that exist in other industrialized, developed countries.

Yet, in practice, the program has left 35 million people uninsured (and subject to fines), down from the 52 million who were uninsured before its passage.

But Krugman assures his readers, "you need to realize that the law was never intended or expected to

cover everyone." In a sense, Krugman is right. Obamacare was only deceptively promoted that way by the White House, which sought to market this pro-corporate boondoggle as a progressive "reform."

Public statements aside, it's true the program's architects "never intended" for it to cover everyone. Rather, they intended to boost the profits of insurance companies and health care corporations while cutting Medicare and incentivizing employers to slash their existing health care benefits. They relied on liberal apologists such as Krugman to sell the program to the American people as a progressive reform on a par with the Great Society and New Deal.

Krugman then moves on to cynically defend another regressive aspect of Obamacare: the promotion of low-quality health care plans that leave consumers to pay most of their health care costs out of pocket. The average "bronze" plan under Obamacare carries a \$5,181 deductible for individuals, while the average "silver" plan carries a \$3,000 deductible.

This means that, for instance, in addition to paying potentially thousands of dollars per year on health insurance premiums, the typical purchaser of a bronze plan would pay the entire \$5,000 cost of a tonsil removal surgery out of pocket, with essentially no assistance from the insured's plan.

Krugman admits that "cheaper plans under the law do have relatively large deductibles and impose significant out-of-pocket costs."

But defending this, Krugman has nothing to say besides declaring that such plans are "better than no coverage at all." This is a little thin for declaring the program a "triumph."

Yet in many cases, this claim is simply not true. After factoring in premiums, deductibles, and cost-sharing, being insured under Obamacare may lead to higher health care costs than simply paying medical expenses out of pocket.

Krugman then gets to the heart of the matter: “There has also been a sharp slowdown in the growth of overall health spending, which is probably due in part to the cost-control measures, largely aimed at Medicare, that were also an important part of health reform.”

For once, Krugman is telling the truth. As a recent exposé on Obamacare in *Harper's* magazine points out, “During the past few years, the growth in health care costs has actually slowed, thanks in part to a \$716 billion cut in Medicare payments that was used to fund ACA subsidies. The cut is permanent and, as a result, Medicare payments to doctors and hospitals will be about 11 percent lower in 2021 than they would have been otherwise.”

In other words, the slashing of Medicare reimbursements for care providers has led them to ration care, leading untold numbers of elderly people to an early grave. This, Krugman insists, is “an important part of health reform.”

The cuts in Medicare reimbursement are only one means by which the Affordable Care act is leading to “reduced health care spending,” a euphemism for rationing care provided to working people. Dozens of major corporations and even municipalities have already used Obamacare to eliminate their group health care coverage and dump employees onto private exchanges.

In the final analysis, Obamacare is a right-wing health insurance mandate program designed to cut Medicare, force people to hand over money to health insurance companies through the threat of fines, shift an ever-greater burden of health care costs onto consumers, and encourage companies to slash employee health care benefits.

Krugman, a multimillionaire and professional defender of the financial elite, supports Obamacare because, not despite, of these realities.



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