

# Obamacare: The reality hits home

Andre Damon  
27 October 2016

On Monday, the US Department of Health and Human Services announced that premiums for health insurance plans sold under the Affordable Care Act (ACA) will increase on average by 25 percent in 2017, raising health care costs of millions of working people by thousands of dollars.

Coming on top of extremely high deductibles and co-pays and severe restrictions on doctors and hospitals available to most of those insured under the ACA, better known as “Obamacare,” the steep premium increases testify to the fact that the Obama administration’s “signature” legislation is a reactionary fraud, aimed at increasing corporate profits by gutting the health benefits won by workers over the course of decades of struggle.

The entire health care overhaul is a scheme devised in collaboration with the insurance conglomerates to dismantle the system of employer-paid health coverage that emerged in the United States out of the mass struggles of the 1930s and 1940s, which established the industrial unions and extracted health insurance as a concession from the corporations. The lack of a government run program of universal health care in the United States was the result of the political subordination of the labor movement to the corporate-controlled Democratic Party by the anti-socialist trade union bureaucracy.

On the basis of the so-called “individual mandate,” which requires all those not covered by employer-sponsored plans or government programs such as Medicare and Medicaid to purchase health coverage from private insurance companies, Obamacare has established a model whereby each individual “consumer” is placed at the mercy of gigantic insurance companies, which are virtually unrestricted in setting fees and conditions.

Those who fail to buy insurance under Obamacare are subject to a tax penalty equal to at least 2.5 percent of

their annual income. This will rise to \$700 or more in 2017.

The government provides limited subsidies to low-income people insured under the ACA, setting a precedent for the eventual transformation of Medicare and Medicaid into market-based programs, with vouchers applied to the purchase of private insurance.

Obamacare encourages the setting up of private exchanges outside of those overseen by the government and includes a so-called “Cadillac tax” to penalize plans with supposedly “overly generous” benefits, i.e., union-linked plans covering millions of workers. The aim is to encourage employers to dump their plans and throw their employees onto the exchanges. This is increasingly taking place.

This deeply reactionary counter-reform was elaborately packaged and marketed by the Obama administration and its liberal supporters and apologists as a progressive reform and major step in the fight for universal health care. In essence, a liberal Democratic president, elected on the basis of popular hatred for the pro-corporate and war policies of the Republican Bush administration, was assigned the task of carrying through a right-wing assault on health care traditionally associated with the Republicans.

The ruling class as a whole had by the beginning of the new century concluded that the existing system, which left more than 50 million people totally uninsured, was too unwieldy and expensive. What was needed was a plan to provide bare-bones coverage to a portion of the uninsured and place the cost squarely on the backs of the broad mass of working people. Above all, nothing could be permitted that in any way challenged the profit interests of the health care monopolies.

The result is a health care disaster that still leaves 29 million Americans without any coverage whatsoever.

But this is only the beginning. It is being widely

reported that the next administration, whether headed by Hillary Clinton or Donald Trump, will implement major changes to Obamacare to lure the big insurance firms, which have largely withdrawn from the ACA exchanges, back into the system by ensuring their ability to extract bigger profits. Under discussion are such measures as higher tax penalties for people who fail to buy insurance, more restrictions on those who apply, and bigger cash subsidies to the companies for insuring high-cost customers.

These developments fully confirm the warning made by the *World Socialist Web Site* in July 2009 that the Affordable Care Act “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, which will be encouraged to terminate health care for their employees and force them to buy insurance plans providing less coverage at greater out-of-pocket expense.”

Obamacare is not only an attack on health care for working people, it is the spearhead of a broader social counterrevolution aimed at reversing all of the social gains won by the working class in the course of more than a century of struggle. The cynical *modus operandi* by which it was imposed characterizes the Obama presidency as a whole.

This product of the corrupt Chicago Democratic Party machine, whose first job was with Business International, a firm with CIA connections, was catapulted into the leadership of the Democratic Party and then into the White House to provide a “left” gloss to viciously anti-working class policies. On the basis of his anti-war posturing and his slogans of “hope” and “change,” and exploiting the belief among voters that he would be sympathetic to their needs because of his ethnicity, Obama came to power in 2009 and immediately set about implementing a right-wing program, both foreign and domestic, in continuity with that of his predecessor.

A major share of political responsibility for his ability to do so rests with the Democratic Party’s pseudo-left apologists such as the International Socialist Organization, which declared Obama a “progressive” and hailed his election as a “transformative event in US politics.”

Obama continued the war in Iraq, escalated the war in

Afghanistan and extended it into Pakistan, launched new and devastating wars in Libya and Syria, backed a bloodbath led by Saudi Arabia against Yemen, and ordered the drone killings of thousands of people in Central Asia, the Middle East and Africa.

Domestically, he expanded the Bush bailout of the banks, oversaw the slashing of autoworkers’ wages in the forced bankruptcy of General Motors and Chrysler, supported the slashing of city workers’ pensions and health benefits in the Detroit bankruptcy, and accelerated the assault on teachers and public education with his pro-charter “Race to the Top” program.

By means of the “sequester” bill worked out with congressional Republicans, Obama saw to it that federal non-military discretionary spending fell to its lowest level as a percentage of gross domestic product since the early 1950s. On the basis of these policies, Obama has overseen a huge stock market boom and the biggest redistribution of wealth from the bottom to the top in American history.

The slashing of social spending has freed up funds for the breakneck expansion of US military capacity, with the Obama White House initiating the greatest military modernization program since the 1980s, including a \$1 trillion nuclear weapons upgrade.

The working class must draw the lessons of the eight years in which Barack Obama and the Democratic Party have done the dirty work of the banks and corporations. It is not possible to defend jobs, wages or living standards within the framework of the Democratic Party and the capitalist system.

The defense of the social rights of the working class, including high-quality health care for all, requires the building of a mass political movement of the working class armed with a socialist program to reorganize society on the basis of social need, not corporate profit.



To contact the WSWS and the Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**