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OBAMACARE: IS IT COLLAPSING UNDER ITS OWN WEIGHT?

Stephen L. Bakke  July 9, 2013

*[You will find a realistic approach to health care reform by clicking [Here](#) for a link to my earlier report:
[A PATH TO HEALTH CARE REFORM! - Replacing ObamaCare!](#)]*

The latest symptom of an ObamaCare meltdown was just announced by Obama!

ObamaCare requires companies with the equivalent of 50 or more full-time employees to offer health benefits starting on January 1, 2014 – or pay a penalty of at least \$2,000 per employee. The Obama administration made a big announcement a few days ago that the **enforcement of that major provision of ObamaCare would be delayed from 2014 until 2015** when a penalty would finally kick in. This affects many lower wage industries such as restaurants, retail, and agriculture, while most large companies already provide the coverage.

While this delay is related to the difficulty of getting new insurance exchanges set up for the enrollment period to start this fall, as required, **I'm cynical enough to be fairly certain that it was done for purely political reasons** – and this isn't the first time it has happened in ObamaLand. When the original legislation was drafted, the democrats made sure major negative impacts and costs wouldn't take place until after the 2012 presidential elections.

And now, perhaps this is an attempt to delay the negative impact on employment (cutting employees or reducing hours) until after the 2014 midterm elections. **"Deviously brilliant" was how former CBO director Douglas Holz-Eakin characterized these tactics.** Keep in mind that this delay relates to the corporate mandate – **the individual mandate is still due to become effective in 2014** – but that too could change too.

[L]ast Tuesday, the administration said this about the act's mandate : NEVER MIND. Although the Constitution has no Article VIII, the administration acts as though there is one that reads: "Notwithstanding all that stuff in other articles about how laws are made, if a president finds a law politically inconvenient, he can simply post on the White House web site a notice saying: NEVER MIND." NEVER MIND that the law stipulates 2014 as the year Instead, 2015 will be the year. Unless Democrats see a presidential election coming. – George Will (emphasis added by sb)

So what brought us to this point of Democrats' desperation?

Once upon a time, not so long ago, a foolishly confident House Majority Leader patted all of us on the head and said this about the proposed ObamaCare legislation:

***[We have to pass the bill so that you can find out what is in it.](#)** – Nancy Pelosi, 2009*

Doesn't she remember what was once stated by one of our founders?

[It will be of little avail to the people, that the laws are made by men of their own choice, if the laws be so voluminous that they cannot be read, or so incoherent that they cannot](#)

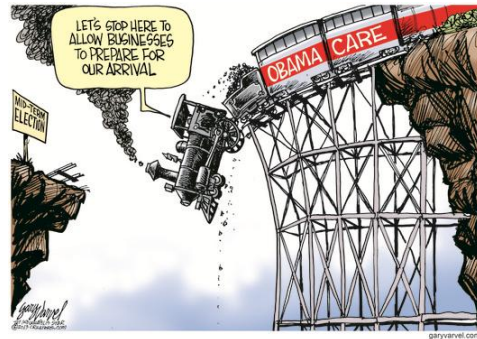
be understood; if they be repealed or revised before they are promulgated, or undergo such incessant changes that no man, who knows what the law is to-day, can guess what it will be to-morrow. – James Madison

Commentator Wesley Pruden was “right on” when he wrote this last week:

..... ObamaCare was carelessly written and pounded through Congress with such speed and abandon that no one had time (or inclination) to see what was in it. Now we know, and the best is yet to come.

As implementation progressed, some dissatisfaction began to surface – even with supporters:

I am of the belief that the ACA [ObamaCare] is probably the most complex piece of legislation ever passed by the United States Congress [I]t's just beyond comprehension. – Obamacare proponent, Senator Jay Rockefeller (D-WV), recently found himself admitting (I contend) what many have been claiming – i.e. Obamacare is an incomprehensible, unredeemable mess!!



In addition to implementation and complexity concerns, a labor union that initially supported the health care law and still supports the President has revoked its endorsement of ObamaCare due to its impact on their health plan. **They have called for repeal or complete reform of ObamaCare:**

[O]ur concerns over certain provisions in the ACA have not been addressed, or in some instances, totally ignored. In the rush to achieve its passage, many of the Act's provisions were not fully conceived, resulting in unintended consequences that are inconsistent with the promise that those who were satisfied with their employer sponsored coverage could keep it. – Kinsey M. Robinson, President of the United Union of Roofers, Waterproofers and Allied Workers International.

And even the lead author of the ObamaCare legislation had this to say to Health and Human Services Secretary Kathleen Sebelius, who is in charge of implementation:

I am very concerned that not enough is being done so far—very concerned. When I'm home, small businesses have no idea what to do, what to expect, they don't know what affordability rules are, they don't know what penalties may apply A lot of people have no idea about all of this I just see a huge train wreck coming down, and you and I have discussed this many times and I don't see any results yet. – Senate Finance Committee Chairman Max Baucus (D-MT)

Bricks are falling from the ObamaCare “foundation”:

The Heritage Foundation (experts Robert Moffit and Chris Jacobs) recently pointed out a few other bricks that have fallen out of the ObamaCare “foundation”:

Last year, HHS Secretary Katherine Sebelius announced her department could not implement the long-term care component of ObamaCare. Financially, she said, it was simply not workable. – This reference was to the “Class Act” – many of us predicted this as

the outcome. The Class Act was inserted into the original legislation with bogus assumptions, thereby reducing the original cost prediction for the reform. Devious??? – sb

..... [in April] Sebelius announced that she was postponing a program designed to allow small businesses to offer more than one plan for their workers.

..... more than half of the states have declined to set up a “health insurance exchange” under the burdensome terms and conditions of the law, leaving it to Washington to do it for them.

Will delaying implementation of the employer mandate encourage more firms to drop coverage entirely and dump their workers on the Exchanges, raising the cost of taxpayer-funded subsidies by trillions? – A worthy question! – sb

A few of the other “bricks” that are missing from the ObamaCare “foundation”:

Last month the “underemployment rate” (unemployed plus those who have been reduced to part-time status) increased from 13.8% to 14.3%. ObamaCare has contributed to this trend as more and more employees are reduced to part-time employment, which has no employer requirement for providing insurance plans. In spite of the slightly improved unemployment rate, the entire improvement in the household measure of employment was accounted for by persons moving into part-time work for economic reasons.

Remember “pre-existing conditions”? As I understand it, “high-risk” pools are being set up to fund costs of adding persons with pre-existing conditions to the insurance roles. In spite of being projected to cover up to 700,000 individuals, only about 110,000 have enrolled so far. But (get this!), while being way under-subscribed, these funds are running out of money and the Administration had to halt new enrollment. Go figure! Why are government cost estimates always GROSSLY understated?

The “medical device tax” was suspect from the beginning by members of both parties in Congress. I’m convinced it was just one more thing that was “cooked up” in their desperate attempt at artificially reducing the net costs reported by the Congressional Budget Office “scoring” procedure. This tax clearly stifles innovation and incentives to keep our medical technology the best in the world! There is now significant bipartisan pressure to change these provisions!

And let’s not forget about the old “Drop and Dump” gambit!

Might the delay of the mandate for larger employees serve another very devious purpose? Earlier I related my speculation that the mandate gave employers a respite in timing for providing insurance. Could be?! BUT isn’t it also likely that companies currently providing insurance would have a period of time in which they could drop coverage for employees without penalty. I saw this referred to as “drop and dump.” **Think about it! I think that could very well be the case!**

But what’s the motivation for the Administration to desire “drop and dump? **Think about it! Dropped employees still are mandated to have insurance! They go into the exchanges or Medicaid, thus burdening the system even further. It’s even more likely to fail.** Ultimately, ever more employers might to be willing to pay the penalty rather than pay for insurance. **Isn’t this one step closer to Obama’s ultimate desire for a single payer system?**

ObamaCare has financial incentives to drop employees built right into the rules! Can you believe it? An insurance plan for a single employee costs thousands of dollars! The penalty for dropping the plan is only \$2,000 for that employee! Why wouldn't employees be dropped if the employer saves that much money? **This is what was intended!**

Yes indeed! Does Obama want the tradition of employer provided insurance plans to eventually unravel? Did he plan it that way? I'll bet he did! **Let's work to stop him!**

But after all is said and done, it's all about the COST stupid! (Well not quite ALL!)

My "go to guy" told me something "un-profound" (but true) about the cost of Obamacare:

Set aside the impact on jobs, forget about the choking level of bureaucratic red-tape, ignore the financial impact on the young, don't look at the class warfare that's going on, and close your eyes to the damage being done to our health care system! Step away from those things for a moment and just focus on the fact that ObamaCare's COST is nothing similar to the estimates used when "selling" the legislation. Actual costs will be in a different magnitude than the estimates and will be crushing to the economy of the U.S. If ObamaCare continues, some of the blessings of the United States will be taken down a few notches! – Stefano Bachovich – obscure curmudgeon, wise political pundit – a prolific purveyor of opinions on just about everything – my primary "go to guy."

Stupid is as stupid does!

It took a very bold Nancy Pelosi to muster the courage a few days ago to attempt to buoy up the waning prognosis and popularity of the floundering ObamaCare legislation:

Next week, when we celebrate Independence Day we'll also be observing health independence this week marks one year since the Supreme Court upheld the Affordable Care Act [It] captures the spirit of our founders – As pointed out by The Patriot Post, "ol' Nanc" seems to be mixing up DEpendence and INDEpendence.

Is ObamaCare collapsing under it's own weight? I think so! I hope so! All things considered I just don't see how it can ever be operable – even ineffectively! We will know much more very soon!

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