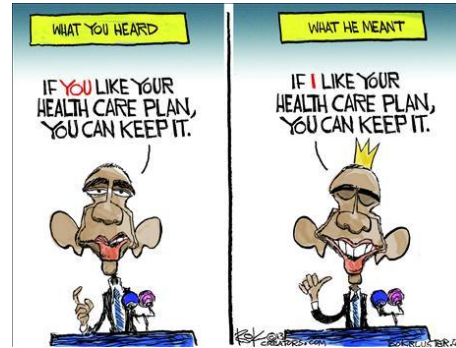


If you don't regularly receive my reports, request a free subscription at steve_bakke@comcast.net!
Follow me on Twitter at <https://twitter.com/BakkeSteve> and receive links to my posts and more!

 **OBAMACARE:
SO MUCH CONFUSION
AND CONTRADICTION!**

~~~~~  
**The truth! PLEASE! Part 2**  
~~~~~

Stephen L. Bakke  November 11, 2013



*ObamaCare isn't a political abstraction any longer What matters is how well it actually works. So far it's not working well at all When you allow ideology to drive the development of policy with no attention to reality or practicality, the results are catastrophic. For the President and his supporters, **ObamaCare was conceived not as a policy solution for America's growing healthcare challenges but as a symbol of the President's progressive worldview.** – WOW! That from pro-Obama reporter Ezra Klein at the Washington Post.*

I get very confused listening to both sides of the current ObamaCare debate dealing with the website debacle and now with the “surprise” terminations of millions of existing insurance policies. This report is a continuation of the “notes” I started in my last report in order to sort out this mess of contradictions, and get myself back on the solid ground of “truth.” **YES VIRGINIA, THERE IS TRUTH HIDDEN SOMEWHERE IN “THEM THAR” HILLS!** We've just got to find it. And we will!

This is a continuation of my last report, so let's jump right back in!

Regarding the health insurance policy cancellations, what did the Administration know, and when did they know it?

Forbes' Avik Roy reports the following after finding the report and then “running the numbers”:

In an obscure report buried in a June 2010 edition of the Federal Register, administration officials predicted massive disruption of the private insurance market the middle of the administration's range [of possible outcomes] amounts to 93,000,000 Americans.

Which leads us to the next point

Obama and his supporters say there are about 5% (17 mil) of Americans who will receive cancellations. Critics say it's almost 30% (93 mil)! “Was ist mit?”

5% is the number Obama wants us to remember but that number **ONLY** represents the individual insurance market of about 17,000,000 people. A much larger segment is the corporate employer market. When that's considered, the impact has been estimated **by HHS itself** (in the obscure 2010 report referred to above) to eventually affect as many as 93,000,000 Americans. Obama has

conveniently omitted this large segment because the very large corporate sponsored insurance market (those with over 50 employees) has been given a one year reprieve on their mandate. When that becomes effective, it is reasonable to expect that a large number of those employees will also lose their current coverage. **NO, VIRGINIA! YOU CAN'T TRUST THE NUANCED RHETORIC OF OBAMA'S CLEVER EXPLANATIONS!**

Is there any truth to the claim that the cancelled plans are the fault of “bad apple insurers”?

[W]hat we're talking about here is insurance companies who chose not to keep the plan they could have grandfathered, and they chose to change the plan that they were making available to people that they already insured in the individual market.

That was the explanation that rolled off the “fork-ed tongue” of DNC Chair Debbie Wasserman Schultz. She was echoing the nuanced explanations from Obama and his minions. Masters of the blame game, they never admit to being any part of the problem. In fact, as discussed above, they knew in 2010 that the regulations being imposed by HHS would cause a huge number of cancellations. **YES VIRGINIA, THEY KNEW IT ALL ALONG!**



We hear about “subpar, junk, or substandard” insurance plans. What makes them subpar?

It's just too simple an answer to even be believable. Every policy – I repeat – every policy that was missing even one of the essential coverages required by Obama are lumped into “subpar” status. That includes, for every insured male, and for every senior citizen as well, if pregnancy coverage wasn't included (and it wasn't) it is “subpar.” It doesn't stop there, but you get the idea! In fact, **it's not an exaggeration to describe almost all pre-ObamaCare insurance policies as “subpar.”**

But the insurance companies didn't have to stick it to us did they?

Insurance is a complex application of a very simple concept. It's a process of risk assessment and estimating costs related to those risks. Then they price accordingly to share the costs across other policy owners. It is costly and counterproductive for them to pay for things that are not true risks such as annual checkups and many other elective or non-urgent services.

ObamaCare imposed a new paradigm on the industry. The minimum essential coverages that were required meant that insurers had to get the money from somewhere, and if the insurers grandfathered all the existing policyholders in, they couldn't afford to insure others for those “essential” coverages. Ultimately, the insurance companies were in a “catch-22” situation. **They couldn't win!**



If the insurers changed **any** “grandfathered” policy in **any** way, the policy owner could **NOT** keep that policy under ObamaCare! Combining the provisions of the ObamaCare law with the regulations for implementation and operation, made it impossible for insurers to provide coverage without losing large amounts of money. They had to make adjustments to existing policies, and in so doing were required by regulation to include coverage for things not needed by many of those being insured. Insurance companies had no choice! **NO VIRGINIA, NOT ALL INSURANCE COMPANIES ARE “BAD APPLES”!**

Is there any reason that Obama might WELCOME these cancellations?

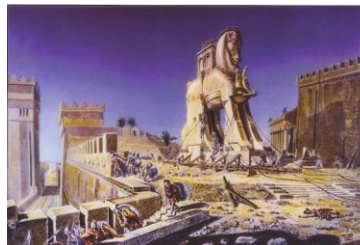
Absolutely! Obama need lots of young insurance enrollees for ObamaCare to succeed. If too many of them are “grandfathered in,” there’s a risk ObamaCare won’t have the dollars to pay for the “less healthy” who are much more likely to enroll than the young and healthy. If you also consider the fact that virtually all the early signups are for Medicaid, it’s logical to conclude the cancellations will be “quietly” welcomed. They need someone to subsidize the “no pay” or “low pay” insureds.” Logical, right? **NO VIRGINIA, THEY AREN’T JUST DOING THIS FOR UNSELFISH REASONS!**

How about the fear expressed by many that ObamaCare will lead to socialized medicine?

Obama once said:

It is my belief that it's not just politically but economically . . . better for us to start getting a system in place – a universal healthcare system signed into law by the end of my first term as president and build off that system to further . . . make it more rational . . .

(More rational = single payer plan. - sb)



ObamaCare: Socialist Trojan Horse in a Free-Market Troy
– from American Thinker

It has also been well documented that other government rascals, such as Reid, Pelosi, et. al., have clearly expressed their belief that ObamaCare is only an interim measure in reaching their ultimate goal of a single payer system, or something even more radical. This concern is well founded!

How about the conservative claim that rather than redistributing wealth from rich to poor, the unintended consequences are doing just the opposite?

There is some truth to this. Consider the fact that the youngest of our adult working citizens, tend also to be earning less than the average older citizen (a fact!). It’s admitted that the youngest will be paying more than they otherwise would have, and since they are healthier than older citizens, their excess premiums will subsidize the older/sicker among us. That’s wealth redistribution, and it’s not going from the richest to the poorest!

But if we can agree that comprehensive health care reform is desirable, isn’t this the price we must pay?

ObamaCare ... began as supposedly a way to deal with the problem of a segment of the population – those WITHOUT health insurance. But, instead of directly helping those particular people to get insurance, the “solution” was to expand the government’s

power over everybody, including people who already had health insurance that they wanted to keep What is older than the idea that some exalted elite know what is good for us better than we know ourselves?

So stated economist Thomas Sowell – **a very wise man!** In other words, Obama didn't attack the real problems themselves – he tried to transform the entire system. By losing focus on the real problems, this project wandered miserably and will ultimately have to be changed or it will collapse under its own weight.

Yes, we must be focusing on: health care for the uninsured; coverage for those with preexisting conditions; establishing portability of insurance policies; addressing lifetime limitations; establishing an atmosphere of competition and cost control, etc. However, there's a way to do it that doesn't put the government in control of almost 20% of our otherwise free economy. I've dealt with that before, and I intend to refresh that analysis soon. **YES VIRGINIA, IT CAN BE DONE!** Stay tuned!

*If you don't regularly receive my reports, request a free subscription at steve_bakke@comcast.net!
Follow me on Twitter at <https://twitter.com/BakkeSteve> and receive links to my posts and more!*