



## How to Defeat and Replace ObamaCare Now

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July 5, 2012

Whether Left, Right, Independent, or Confused, no one who is not bought and paid for as part of the Obama political machine is going to like the Obama Double Cross of the American people on Obamacare. Before Obamacare was passed, Obama told the American people over and over, even on national TV, that the individual mandate was not a tax. After Obamacare was passed, Obama sent his lawyers into courts all over the country to argue that the individual mandate is constitutional precisely because it is a tax.

This is the top argument to feature now in discrediting Obama and Obamacare. No one likes a dishonest liar. Even worse when that dishonest liar is supposed to be our nation's leader. When he sent his own lawyers into courts all over America to argue that the individual mandate is constitutional because it is a tax, he demonstrated that when he told the nation it was not a tax, he knew all along that was not true, and that he was planning all along to double cross the people he was supposed to be leading. That alone disqualifies him from serving as President. The majority of Americans who are still capable of thinking will recognize that we can't have as our nation's leader a dishonest double crosser.

Romney and his Republicans must now play in ads all over America the clips of Obama and his Democrats denying in dismissive terms that the individual mandate could in any way be considered a tax. Then they need to dramatize that after the Obamacrats had tricked the American people, they sent their lawyers into court to argue just the opposite, thinking that the American people are too stupid to realize they had been tricked.

### **Stop the Obama Tax Tidal Wave**

Obamacare consequently becomes yet another of the huge tax increases pending to take effect starting next year, unless Obama himself is repealed and replaced. CBO estimates that the health insurance that Obamacare mandates that employers must buy for each of their workers, or that every individual otherwise must buy, will cost on average about \$15,000 *per year* for a family of four, just to start, growing robustly every year after that. Obamacare tries to make that palatable by adopting a new entitlement program providing federal welfare for the purchase of such insurance for families with incomes ranging over \$100,000 per year in a few years, as the eligibility cutoff rises with health care inflation.

But those unrestrained health welfare handouts are paid for by taxpayers as well. So the Obamacare mandate tax becomes the entire \$15,000 per family cost of the required insurance, including the welfare handouts to help pay it. *That is close to \$1.5 trillion per year*, not the \$1.76 trillion CBO now estimates for the next *10 years*, which does not count what families and employers are required to pay for the mandated insurance. That \$1.5 trillion per year and growing adds up to *more than \$15 trillion over 10 years!* That is the full Obamacare mandate tax.

The employer mandate is a particularly egregious job killer, adding roughly \$6,000 to \$15,000 per worker per year to start to employment costs for jobs not now covered by health insurance. Even for jobs with current health insurance coverage, the cost of employment would still rise, because the new mandated Obamacare health insurance is likely to be more expensive than the employer's current health coverage. Employers already seem to be reducing hiring in anticipation of these increased costs when the employer mandate goes into effect in a year and a half. To the extent the employer offsets these added costs by reducing what the worker would otherwise be paid, that means the workers suffer declining incomes.

That would all be on top of the tax increases now scheduled for next year under current law from the expiration of the Bush tax cuts, which Obama refuses to renew for the nation's small businesses, job creators, and investors. Along with the Obamacare tax increases also going into effect next year, that means the top two income tax rates would rise by nearly 20%, the capital gains tax rate would rise by nearly 60%, the tax on dividends would nearly triple, the Medicare payroll tax would rise by 62% for these disfavored taxpayers, and the death tax would rise from the grave with a 55% top rate.

That is all on top of the corporate income tax rate, which is already the highest in the industrialized world under Obama at nearly 40% counting state corporate income taxes on average. As noted here before, even Communist China sports a 25% corporate rate, while the social welfare states of the European Union average even less. Formerly socialist Canada now features a 15% federal rate, with Germany nearly that low. This leaves American businesses uncompetitive in the global economy. But under Obama there is no relief in sight.

Instead Obama has been barnstorming the country for over a year calling for still more tax increases. His Buffett rule would impose on America the fourth highest capital gains tax rate in the industrialized world, along with the highest corporate rate. And he regularly proposes still more tax increases on business, industry, savers, investors, and job creators. That is who he is talking about when he uses the crass term "the rich."

This tidal wave of tax increases is the perfect formula to drive America into another severe recession next year, before we have even recovered from the last one. That means a return to double digit unemployment, and deficits soaring to over \$2 trillion, with wages continuing to decline. Reversing course to avert that historical reenactment of the 1930s will only be possible

if we take our last chance this fall to repeal and replace the Marxist infiltrator in the White House.

### **The Roberts Double Cross**

What is most clear from the Obamacare decision June 28 is that after 70 years of dominant liberalism on the Supreme Court, conservatives were all set up for an historic victory. There were five votes to strike down the individual mandate as unconstitutional in violation of the Commerce Clause, five votes to recognize that meant the entire law had to be struck down, and five votes to put a limit even on the spending power by striking down the mandatory Medicaid expansion. Then Chief Justice John Roberts blinked, joining the unprincipled court “liberals” to save the double time march to socialized medicine.

There is no silver lining to the Great Wimp Out of John Roberts. The Commerce Clause ruling does not regain any prior lost ground, but just upholds the prior status quo. But this line held regarding the Commerce Clause was obliterated by holding the individual mandate to be a tax. It is not even just that in the future the government can impose a tax on you if you do not buy and eat your broccoli, or buy a new electric car from Government Motors, achieving the same result as any mandate. The decision stands as a historic precedent for holding any future mandate to effectively be a constitutional tax authorized by the taxing power.

The decision at best creates a talking point against any such mandate, enabling opponents to say that the Supreme Court has recognized it to be a tax. But don't expect the liberal media that intimidated Roberts and elected the Marxist infiltrator to broadcast the point, or even concede it as valid. And don't expect too many voters to read the opinion. You can see even now right after the decision Obama's minions pronouncing that anyone who says the individual mandate is a tax is lying. This is the equivalent of old Soviet style disinformation.

The individual mandate is by its own terms a regulation not a tax. That is what Obama and the Democrats insisted it was in ramming it through the Congress. What became the four dissenting conservatives did an excellent job in the Obamacare decision of explaining why under prior Supreme Court precedent the mandate must be considered a regulation enforced by a penalty, and not a tax. What the narrow putative conservative court majority should have done is enforce the democratic process, requiring the Congress to enact an openly constitutional tax to finance socialized medicine if that is what it wanted, rather than allowing it to evade the voters by passing a regulatory mandate publicly denied to be a tax, and then calling it a constitutional tax in court. But what Roberts and the unprincipled, result-oriented court liberals did is affirm the fundamental dishonesty of our politics, refined to an art form of telling voters one thing, and doing the opposite behind closed doors once elected.

Roberts whined in justification of his double cross of the conservatives that put him in office that it is not his job to “to protect the people from the consequences of their political choices.” But that is exactly his job when the political choices result in leaders and policies in violation of the

Constitution. As the *Wall Street Journal* put it on Monday, “But the Court’s most important role is to protect liberty when the political branches exceed the Constitution’s bounds, not to bless their excesses in the interests of personal or political expediency.” Transparently, Roberts was intimidated by Obama and the liberal media, the way the Venezuelan Supreme Court used to be intimidated by Hugo Chavez, before he finally just packed the Court with his party cronies, as Obama would do in a second term.

But Roberts, exactly contrary to his expectations, has now discredited the Rule of Law, and respect for the Court as an institution among its formerly most fervent supporters. He will be remembered in history as the short-sighted Chief Justice who authored the Roberts Double Cross. Instead of avoiding the tag of a politicized court, which is what the liberal media threatened, Roberts’ Double Cross itself has irredeemably politicized the court. If Reagan had followed the same thinking as Roberts, after he was elected he would have raised taxes rather than cut them, to get a happy editorial from the *New York Times*.

But the economics and politics of the decision are perverse and pyrrhic for the Marxists. Striking down Obamacare would have provided an immediate boost to the economy, perhaps sufficient to save Obama from himself. Affirming it is contractionary, sufficient to prevent any job creating investment any time soon, and perhaps enough to bring next year’s recession into this year, before the election.

Of course, the ruling riles the Tea Party base to the max, which the Romney campaign must not do anything to discourage. Meanwhile, the Obamaniacs are drunk with overconfidence, likely to fall back into wondering by Election Day why so many of them are unemployed and in poverty in the Obama regime’s workers paradise.

### **The Health Care Liberation Movement**

What conservatives now must proclaim is what the leftist media most wants to hide, that free market conservatives have long been proposing sweeping health reforms that would achieve all of the goals of Obamacare far more effectively, at just a fraction of the cost. The best articulation of that vision is provided by **John Goodman**, the Godfather of health savings accounts, whose latest book **Priceless** I reviewed in this column last week.

Those free market reforms include a health care safety net that would assure that no American would suffer without essential health care, achieving that while making government smaller rather than bigger. That would be achieved, moreover, with no individual mandate and no employer mandate.

The safety net reforms begin with Medicaid, the health care program for the poor costing roughly \$500 billion a year now in federal and state spending, and growing like Jack’s beanstalk. That program should be sent entirely to the states with fixed, finite block grants, as in the bipartisan, 1996 welfare reforms of the old AFDC program. Through the resulting improved incentives, those 1996 reforms greatly reduced poverty among the poor relying on the program, with two-

thirds leaving the program for work, while cutting its costs in half over 10 years from where they would be otherwise.

The states could then each use their Medicaid funds to provide assistance to the poor to buy the private health insurance of their choice. The voters of each state would decide how much assistance for the purchase of private health insurance to provide each family at different income levels to assure that the poor would be able to obtain essential health care. This would rightly vary with the different income and cost levels of each state. The poor would then be free to choose the private health insurance they preferred, including Health Savings Accounts, liberating them from the Medicaid ghetto, which is an institutionalized means for denying them health care by refusing to pay doctors and hospitals sufficiently to assure their timely access to essential health care. Instead, the poor would enjoy the same health care as the middle class, because they would have the same market health insurance as the middle class.

A second step necessary to ensure a complete safety net is to allow each state to use part of their Medicaid block grant to set up a High Risk pool. Those uninsured who become too sick to purchase health insurance in the market, perhaps because they have contracted cancer or heart disease, for example, would be assured of guaranteed coverage through the risk pool. They would be charged a premium for this coverage based on their ability to pay, ensuring that they will not be asked to pay more than they could afford. Federal and state funding would cover remaining costs. Such risk pools already exist in over 30 states, and for the most part they work well at relatively little cost to the taxpayers because few people actually become truly uninsurable.

The law already provides that insurers cannot cut off already existing policyholders, or impose discriminatory rate increases, because they become sick *while* covered. That would be like allowing fire insurers to cut off coverage for houses once they catch on fire. If this law needs to be modernized, it should be.

Goodman proposes to extend the safety net by including as a standard provision in private health policies protection specifically against the development of pre-existing conditions. Not only could someone who becomes sick while insured keep his policy at standard rates. If he decides to choose a new policy after he becomes sick his old policy would be obligated to make payments to the new insurer to cover the likely added costs of the pre-existing condition. Through such reforms, a market would be effectively be created to compete to cover and serve best the sickest with pre-existing conditions, because these sickest patients would come with extra funds to help pay for the costs of those conditions.

With these reforms, those who have insurance can keep it, those who can't afford it are given the necessary help to buy it, and those who nevertheless remain uninsured and then become too sick to buy it have a back up safety net in the risk pools. Everyone is assured of being able to get essential health care when they need it, with no individual or employer mandate.

Health costs would be most effectively controlled by extending Health Savings Accounts throughout the entire health care system, with workers empowered to choose them in place of current employer provided insurance, and the poor and seniors empowered to choose them for their Medicaid and Medicare coverage. The market incentives of such HSAs and the market competition for health insurance in employer provided health coverage, Medicare, and Medicaid are the most effective means of controlling health costs, while maximizing patient power and control over health care funds and their own chosen health care services and treatments.