



Health Care Costs in Question as Obama Administration Grants Waivers

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The Obama Administration claimed Friday its health care law will bring down costs for everyone once it takes full effect in 2014, even as the President made fun of its critics.

"You may have heard once or twice that this is a job-crushing, granny-threatening, budget-busting monstrosity. That's about how it's been portrayed by opponents," he joked to laughter among the crowd at a FamiliesUSA conference in Washington.

A new Health and Human Services Report states that families *will* save money under the law.

The original source of that conclusion is a 2009 analysis from the Congressional Budget office that looked at some provisions and predicted that "Average [health care] premiums would be seven to 10 percent lower..."

But the same analysis also predicted that *other* provisions of the law would have the opposite effect, saying "Average [health care] premiums would be 27 percent to 30 percent higher..."

That prompted Michigan Rep. Dave Camp, the Republican chairman of the Ways and Means Committee to issue a statement saying "This report would be laughable if it wasn't so disingenuous. The facts remain clear: the Democrats' health care law increases health care costs."

Meanwhile, the Obama administration has now tripled the number of waivers granted to employers who cannot meet with the requirements of the new law -- from a little more than 200 to more than 700.

"Even the Obama administration is admitting by granting these waivers that they better make some exceptions or they're going to have the unintended consequence of having more uninsured, not less," according to Jim Capretta of the Ethics and Public Policy Center, a former official in the White House Office of Management and Budget from 2001 to 2004.

John Goodman of the National Center for Policy Analysis says "What's happening is the federal government is trying to force workers to have a health insurance plan that's more expensive than they or their employers can afford."

The law now forces all plans to offer at least 750,000 dollars in annual benefits, but the administration has already granted waivers to McDonald's and other low wage firms.

Goodman and others fear employers will just drop insurance altogether and pay the penalties, or hire fewer people.

"The cheapest thing for an employer not to do is not to hire people," Goodman says, "to hire only temporary workers. To hire contract laborers. And then you get out from under the fines. You get out from under the mandates, but is that really where we want to go?"

Hundreds of entities from banks to church groups to school districts are saying they can't live up to the law.

The group also includes dozens of unions chapters, most of which supported passage of the bill - from electrical workers to Teamsters to the Service Employees Union, which organizes low wage workers.

Even a union representing NY Firefighters asked for a waiver, as well as several states whose own health care requirements were lower than the new federal law.

The waivers last for a year but can be renewed until 2014, at which point everyone has to get insurance from their employer, or through state run exchanges where those making less than 80 thousand dollars a year will get federal subsidies.

"They will be eligible for a new federal subsidy structure that will provide them with discounted premiums. That's the new entitlement in the health care law that's going to be so expensive."

And at the moment, the cost is the hottest issue. The administration promises everyone can have better health care at lower prices. Critics say they're spending a trillion dollars over ten years... and that money has to come from somewhere.