

USA: The Obamacare Fiasco

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President Barack Obama intended the Patient Protection and Affordable Care Act of 2010, popularly known as Obamacare, to be his crowning achievement. The implementation of the system that began with open enrollment on October 1 has proven to be a fiasco. The president has fallen dramatically in the polls, with 60 percent of the population now disapproving of his performance in office, placing him at the same level of unpopularity as George W. Bush was in his second term.

First, Obamacare's open enrollment website [[1](#)] proved to be so poorly designed that it couldn't handle the traffic of the hundreds of thousands attempting to enroll. It jammed up, stalled, and occasionally crashed. After a month and a half, only a few tens of thousands had succeeded in enrolling, and not all of them had purchased their plans. If the young and healthy fail to enroll, the actuarial premises on which the plan is based will never work out.

Second, it turned out that the president's promise that all Americans would be allowed to keep their existing health insurance if they wished was not true. Many who had cheap, low quality plans that did not meet the program's standards were enraged to find their policies cancelled. For Democrats—who had been riding high after the Republicans virtually committed political suicide with the government shutdown just a month ago [[2](#)]—the Obamacare rollout has proven to be a political catastrophe.

The Long Struggle for Health Insurance

The American people have had a long and inglorious struggle to win universal health care insurance. Most Western European countries created social security systems with limited health care programs in the 1910s, but in the United States all such efforts failed because of ideological hostility to socialism and opposition from doctors, labor unions, insurance companies, and business groups. The Social Security Act of 1935 that provided pensions for the elderly and financial support to the disabled did not include a health care plan.

The Wagner-Murray-Dingell Bill presented to Congress in 1943 called for compulsory national health insurance and a payroll tax to pay for it. President Harry S. Truman, a Democrat, who believed America needed a universal national health care system, supported the bill, but Republican Senator Robert Taft called the idea "socialism." And it was also opposed by the American Medical Association, the American Bar Association and the press. Introduced every year for 14 years it went down to defeat every time.

Some Victories: Unions Plans and Government Programs

Many Americans finally won health insurance through their labor unions beginning in World War II. While wartime laws forbid negotiation over wage increases, the unions were permitted to bargain over benefits. So large industrial unions—steelworkers, autoworkers, Teamsters, and others—began to bargain for pensions and health insurance to be paid for by contributions from the employer and the workers. The trend continued throughout the 1950s when about one-third of all Americans had labor unions, and the largest of those now also had health insurance plans. Competing for employees, large non-union employers also offered health care plans. So by the 1970s, many Americans had workplace-based health insurance. Still, millions who had no jobs because they were elderly, disabled or simply unemployed, or because their employer did not have such a program, had no insurance at all.

During the liberal 1960s, Democratic President Lyndon B. Johnson led the Congress to create Medicare (1965), a national health insurance system for those over 65 and those with disabilities. That same year Congress also created Medicaid, a national health insurance program for people with low incomes. These programs represented an enormous expansion of health insurance coverage for Americans, but millions in the middle class or among the working poor still often had none. During the last thirty years, employer began to demand that their employees pay a much large percentage of their health insurance, but many could not afford to. By the 2000s the United States, with a population of about 300 million, had 40 million with no health insurance.

Obamacare: A Bad Model

Obamacare has its origins in the attempt by President Bill Clinton and First Lady Hillary Clinton to create a market-based national health care system in the 1990s. By then the liberal era of government programs was over. Bill Clinton proposed a bill in 1993 that would require all employers to provide health insurance to their employees through a regulated marketplace of health maintenance organizations. Under a barrage of hostile advertising paid for by conservative and corporate organizations, the bill failed in what was a stinging defeat for the Clintons.

When Obama took up the issue in 2009, his goal was a universal system. He strongly resisted pressure from the left to create single-payer system such as Canada's, where the government acts as the insurance company but may contract private services. He even resisted pressure to create a public option, that is, a government-run health insurance agency to compete with private insurance companies. Obama's plan, written by corporate executives from the insurance industry, the health corporations, and the pharmaceutical companies, required all Americans to buy insurance through government-run exchanges, while at the same time it provided subsidies to those with low incomes; and insurance companies could not exclude people with previously existing conditions, as they had typically done.

Many Republicans and especially the Tea Party Movement hated the plan which they called socialist. A business group challenged the law, taking the case to the Supreme Court, but the law was upheld there by a vote of 5 to 4. Several Republican governors rejected Obamacare's expansion of Medicaid, while others declined to establish state insurance exchange. And, most recently, the Tea Party caucus in the Republican Party shut down the U.S. government for almost two weeks in protest. Obama survived all the Republican attacks, but his administration's incompetence in managing the website and his statement that everyone could keep his old insurance, led to the fiasco. Republicans *and* Democrats are now proposing laws that would allow people to keep their substandard policies, a development that could cause the entire plan to fail. It now seems that the

entire Obamacare program could collapse. Some speculate that this could be the definitive end of liberalism in America.

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Footnotes

[1] www.healthcare.gov

[2] See on ESSF (article 31127), [USA: What was the American government shutdown all about?](#).