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Ten Broken Obamacare Promises

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Since the passage of Obamacare in 2010, many of the President's famous promises have been routinely broken. As he so ironically threatened in 2009, "If you misrepresent what's in this plan, we will call you out."[1] To that end, here are 10 promises of Obamacare that have already proved to be broken.

Promise #1: "If you like your health care plan, you'll be able to keep your health care plan, period."[2]

Reality: Millions of Americans have lost and will lose their coverage due to Obamacare. Obamacare has significantly disrupted the market for those who buy coverage on their own by imposing new coverage and benefit mandates, causing a reported 4.7 million health insurance cancelations of an existing policy in 32 states.[3]

For those with employer-sponsored insurance in the group market, the Congressional Budget Office (CBO) projects that 7 million fewer people will have employment-based insurance by 2018.[4]

Moreover, the Administration itself has admitted that employers would not keep their existing health plans. Federal regulations written in 2010 estimated that 51 percent of small and large employers would lose their "grandfathered status" by 2013—meaning a majority of employers would not keep their existing health plans.[5]

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Promise #2: "[T]hat means that no matter how we reform health care, we will keep this promise to the American people: If you like your doctor, you will be able to keep your doctor, period."[6]

Reality: Many Americans might not be able to keep their current doctor without paying extra. Many plans offered on Obamacare's exchanges have very limited provider networks, decreasing the chances consumers will be able to keep their current doctor without paying more money.[7] Furthermore, many Americans who purchase coverage on their own have had their existing health plans changed or canceled due to Obamacare, resulting in some people being unable to keep their current doctors without paying additional money to do so.

Due to the significant payment reductions included in Obamacare, seniors with Medicare Advantage plans may be forced to find new doctors. The largest provider of these plans, UnitedHealth, has recently reduced its provider networks in several states.[8]

Promise #3: "In an Obama administration, we'll lower premiums by up to $2,500 for a typical family per year."[9]

Reality: Premiums for people purchasing coverage in the individual market have significantly increased in a majority of states. A Heritage analysis shows that, on average, consumers in 42 states will see their premiums in the exchanges increase, many by over 100 percent.[10]

For people with employer-sponsored coverage, costs also continue to increase. For families, premiums from 2009 to 2013 have increased by an average of $2,976.[11]

Promise #4: "[F]or the 85 and 90 percent of Americans who already have health insurance, this thing's already happened. And their only impact is that their insurance is stronger, better and more secure than it was before. Full stop. That's it. They don't have to worry about anything else."[12]

Reality: Obamacare imposes certain new benefit mandates on those with employer-sponsored coverage—a majority of Americans. These mandates increase the cost of coverage. In fact, federal regulations written in 2010 assumed "that the increases in insurance benefits will be directly passed on to the consumer in the form of higher premiums. These assumptions bias the estimates of premium changes upward."[13]

But higher premiums not only cost people more money; they have other impacts on coverage as well. For instance, as a response to the direct cost increases associated with Obamacare, UPS dropped coverage for spouses of employees if they are offered coverage through their own employers.[14]

Promise #5: "Under my plan, no family making less than $250,000 a year will see any form of tax increase."[15]

Reality: Obamacare contains 18 separate tax hikes, fees, and penalties, many of which heavily impact the middle class. Altogether, Obamacare's taxes and penalties will accumulate over $770 billion in new revenue over a 10-year period.[16] Among the taxes that will hit the middle class are the individual mandate tax, the medical device tax, and new penalties and limits on health savings accounts and flexible spending accounts.[17]

Promise #6: "I will not sign a plan that adds one dime to our deficits—either now or in the future."[18]

Reality: Obamacare's new spending is unsustainable. Obamacare was passed into law relying on a wide variety of unrealistic budget projections. A more realistic assessment reveals that it will be a multi-trillion-dollar budget buster. The Government Accountability Office (GAO) estimated the cost of Obamacare over the long term if certain cost-containment measures were overridden. Under that alternative scenario, which assumes that "historical trends and policy preferences continue," the GAO found that Obamacare would increase the primary deficit by 0.7 percent of gross domestic product (GDP).[19]

Senator Jeff Sessions (R–AL) and the Senate Budget Committee staff, who commissioned the GAO report, translated the 75-year percentage estimate into today's dollar amount, which would be $6.2 trillion over the next 75 years.[20]

Promise #7: "[W]hatever ideas exist in terms of bending the cost curve and starting to reduce costs for families, businesses, and government, those elements are in this bill."[21]

Reality: Health spending is still rising and is projected to grow at an average rate of 5.8 percent from 2012 to 2022.[22] While growth in health spending has been slower recently compared to the past, that is largely due to the sluggish economic recovery. Indeed, Obamacare's new entitlements will help drive greater health spending in 2014 and beyond.[23]

Promise #8: "I will protect Medicare."[24]

Reality: Obamacare cuts Medicare spending. Obamacare makes unprecedented and unrealistic payment reductions to Medicare providers and Medicare Advantage plans in order to finance the new spending in the law. The cuts amount to over $700 billion from 2013 to 2022.[25] If Congress allows these draconian reductions to take place, it will significantly impact seniors' ability to access care.[26]

Promise #9: "I will sign a universal health care bill into law by the end of my first term as president that will cover every American."[27]

Reality: Millions of Americans will remain uninsured. Despite spending nearly $1.8 trillion in new spending from 2014 to 2023, the law falls far short of universal coverage. Indeed, Obamacare is projected by the CBO to leave 31 million uninsured after a decade of full implementation.[28]

Promise #10: "So this law means more choice, more competition, lower costs for millions of Americans."[29]

Reality: Obamacare has not increased insurer competition or consumer choice. In the vast majority of states, the number of insurers competing in the state's exchange is actually less than the number of carriers that previously sold individual market policies in the state.[30] And at the local level, for 35 percent of the nation's counties, exchange enrollees will have a choice of plans from only two insurers—a duopoly. In 17 percent of counties, consumers will have *no* choice—a monopoly—as only one carrier is offering coverage in the exchange.[31]

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Endnotes

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