

The Obamacare counterrevolution six years on

By Kate Randall
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More than six years after it was signed into law, and nearly four years after it began operation, the Affordable Care Act (ACA) is increasingly acknowledged to be a disaster. The viability of the scheme it authorized is openly being called into question, even by its proponents. The Obama administration's signature domestic "achievement" stands exposed as a plan concocted by and for the insurance companies and corporate America to slash their costs and increase their profits.

As the *World Socialist Web Site* explained as early as 2009, the health care "reform" that is popularly known as Obamacare establishes a framework for the insurers, the corporations and the government to drastically reduce the health benefits available to low- and middle-income individuals and families.

This was always the aim of the legislation. The gutting of benefits and increase in costs for working people are not the unfortunate outcomes of a well-meaning but misguided effort to provide "near-universal, quality health care," as President Obama claimed at its inception. As the *New York Times*, an early, fervent and continuing supporter of Obamacare, recently acknowledged, referring to the barebones government health program for the poor, "[T]he reality is that a typical Obamacare plan looks more like Medicaid, only with a high deductible."

Under the ACA's "individual mandate," anyone without employer-sponsored coverage who is not covered by Medicare or Medicaid is required under threat of a significant tax penalty to purchase private insurance. Today, large numbers of people are struggling or unable to pay the exorbitant premiums demanded by the private insurers for their shoddy plans, while those who do are forced to self-ration care for their families under the weight of sky-high out-of-pocket costs.

The least expensive plans come with deductibles in excess of \$5,000. Networks are increasingly shrinking, forcing enrollees to choose between a dwindling range of

doctors and hospitals. Drug formularies are denying access to life-saving drugs. Insurers are requesting and receiving approval for double-digit premium hikes for their wretchedly inadequate insurance policies.

The recent exit of No. 3 health insurer Aetna from a majority of the private Obamacare exchanges across the country where it previously offered plans is certain to exacerbate this trend. Coming on the heels of the pullback of insurers UnitedHealth and Humana from the Obamacare market, conditions have been created where 17 percent of those eligible for an ACA plan next year will have only one insurer from which to choose. This will be the case in five entire states.

In a recent opinion piece in the *Times*, economist Paul Krugman bemoaned the fact that insurers are "finding themselves losing money, because previously uninsured Americans who are signing up turn out to have been sicker and more in need of costly care than we realized." He advocated a "reinforced effort to ensure that healthy Americans buy insurance, as the law requires, rather than them waiting until they get sick"—i.e., hiking the already hefty tax penalties for those who fail to buy policies.

The "magic" of the Obamacare market has demonstrated the degree to which the ACA is subordinated to the profit interests of the multibillion-dollar insurance companies—to the detriment of the lives and well being of the vast majority of the population. They are the ones calling the shots. There is no meaningful oversight on what they can charge for their plans, so they jack up the premiums. If they are still not making what they consider an adequate profit on the ACA exchanges, they simply pull out.

While there is a legal requirement for individual workers, students, etc., to fork over money to the insurance firms, the corporate CEOs and their bankers are free to do as they please.

Democratic presidential nominee Hillary Clinton

unequivocally defends Obamacare and pledges to “build on its success to bring the promise of affordable health care to more people.” Her cynical claims that she “will not stand for unjustified premium increases” and will “limit excessive out-of-pocket costs for families” are as believable as her lies about her emails.

The entire edifice of Obama’s health care overhaul is built on the for-profit health system in America, which includes not only the insurers, but also the giant hospitals, health care chains and pharmaceutical companies. To the extent that Trump and the Republicans oppose the ACA, they propose to junk the Obamacare charade in favor of more open support for the free-market, for-profit health care industry.

In the end, these are tactical differences between the two big business parties. Whichever candidate occupies the White House comes January, he or she will be committed to an intensified attack on health care for ordinary Americans. This sweeping assault on the quality of life for working people will continue as part of the ruling class offensive against all basic social rights, including the right to a decent-paying job, education and housing.

As the WSWS wrote in July 2009, more than six months before the ACA became law, Obama’s “drive for an overhaul of the health care system, far from representing a reform designed to provide universal coverage and increased access to quality care, marks an unprecedented attack on health care for the working population. It is an effort to roll back social gains associated with the enactment of Medicare in 1965.

“It is a counterrevolution in health care, being carried out in the profit interests of the giant pharmaceutical companies, insurance conglomerates and hospital chains, as well as the corporations, which will be encouraged to terminate health care for their employees and force them to buy insurance plans providing less coverage at greater-out-of-pocket expense.”

Fast forward seven years and we can draw a balance sheet proving the correctness of these assertions.

Taking their cue from Obamacare, growing numbers of employers are increasing co-pays and deductibles. Some are shifting their employees to individual markets modeled on the ACA marketplace, while others, including some employing public workers, are dumping them onto the Obamacare exchanges.

A study in 2014 predicted that the ACA would save US businesses \$3.5 trillion through 2025, largely by ending employer-sponsored coverage and shifting health

insurance costs to employees.

In January 2015, Obama’s Department of Health and Human Services announced that payments to hospitals and doctors for a large percentage of health care provided under Medicare, the government-run health insurance program for the elderly, would be shifted from the traditional “fee for service” model to methods that reward health care providers for cutting costs and rationing care.

Half of direct payments to Medicare providers are to be moved to this model by 2018. The sacrifices being demanded of Medicare recipients—supposedly in the interest “quality” and “value”—will translate into the withholding of medical treatments and procedures, resulting in untold suffering and untimely deaths of seniors.

Moreover, the ACA essentially establishes a voucher system, whereby minimal government subsidies are given to individuals to purchase private health insurance. It thereby serves as a model for the future privatization of the key government programs, Medicare and Medicaid, wrenched from the ruling class through bitter working class struggles in the last century.

As we correctly noted in 2009, “Obama’s health care counterrevolution is of a piece with his entire domestic agenda. It parallels the multitrillion-dollar bailout of the banks, the imposition of mass layoffs and wage and benefits cuts in the auto industry, and a stepped-up attack on public education and on teachers. ... All that remains of the social reforms from the 1930s and 1960s, and the gains won by previous generations of workers in bitter struggle, is to be wiped out.”

The claims by pseudo-left and nominally liberal forces that Obamacare contained at least some kernel of progressive content have been exposed as apologies for these reactionary policies. A progressive and democratic overhaul of the health care system in America must take as its starting point an end to privately owned health care corporations and medicine-for-profit and the establishment of socialized medicine, democratically administered by a workers’ government, to provide free, high-quality health care for all.

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