



Insight

Eakinomics: The Unraveling of ObamaCare

DOUGLAS HOLTZ-EAKIN | DECEMBER 19, 2013

As Joe Friday used to say, “just the facts, ma’am.” Late yesterday — that is, after the news cycle closed on the Thursday before the *de facto* Friday off before the holiday weekend, which is certainly just a coincidence coming from an administration that has dumped more important policy announcements in this fashion than they’ve had the spine to announce — HHS Secretary Kathleen Sebelius “announced” (in quotes because I’m skeptical that the average American monitors late-evening Administration-Congress mail) in a [letter](#) to Senator Mark Warner announced that the administration was 1) waiving the individual mandate for those with cancelled policies, and 2) Waiving the age limitations on catastrophic plans so those with cancelled policies can purchase a catastrophic plan.

This is a big deal. Substantively, it opens the door to deferring the mandate entirely and by acknowledging that catastrophic plans would be suitable coverage it makes a lie of all the rhetoric about how existing insurance (“underinsurance”) is “subpar” and “poor”. It will be fine for 2014. And it represents another round of changing the rules of the game for citizens and insurers. It is ridiculously unfair to the latter, who the president just asked to cover bills even if they had not been paid, or even if it was not clear the person had a policy. It is an invitation to those who have chosen policies through [healthcare.gov](#) to cancel them and waive the mandate. Moreover, there will be a black market for fraudulent cancellation letters.

I am no fan of this administration, so I say this carefully and with forethought: this is a disgraceful move. It was done effectively on Friday before the holiday (a far-too-familiar tactic for followers of the Administration). Nobody — not the president, not Sebelius, not even a press flack — took responsibility and faced the American people. Instead, it was done via a letter and leaked blog post. And it is a mere 4 days before people were supposed to be obligated to be insured. Shameful. Period.

The politics are now familiar and tiring. The administration threw their own follower under the bus. Specifically, they chose against those that got their policies cancelled and soldiered through [healthcare.gov](#) to get a policy. It pandered for near-term gain at the expense of even their own policies, and it continued to devalue the president’s signature accomplishment by waiving its content.

ObamaCare is flawed. Period. It will ultimately fail on its demerits. But the latest attempt to prop it up for 2014 reminds me, at least, of the worst reflexes of this president.