Insight

GOGI Budgeting

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During my college days as a computer-science major, a popular term was “GIGO” — which stood for “Garbage In, Garbage Out” — which warned you that even if you had the slickest program this side of COBOL (remember, I’m old), it would not matter if the data were nonsense.

The Congressional Budget Office *is* the slickest budget shop Congress could wish for. So it came as a shock to some conservatives today that the CBO examined H.R. 2 (The Repealing the Job-Killing Health Care Law Act) and came to the conclusion that “enacting H.R. 2 would probably increase federal budget deficits over the

2012–2019 period by a total of roughly $145 billion.”

Democrats are trumpeting, predictably, that this means that RJKHCLA (which, I think, is Icelandic for “thank God”) is an act of fiscal hypocrisy by Republicans.

Nothing could be further from the truth.

The CBO is simply running in reverse an enormous exercise in GIGO — so think of this as GOGI budgeting. Recall that the rules forced CBO to incorporate a wide range of budget gimmicks in their original estimate of the health care law:

- Leaving out the roughly $115 billion in discretionary spending needed to implement the bill,
- Counting the $70 billion in premiums for long-term care insurance (CLASS Act), but ignoring the unsustainable CLASS Act spending that starts after the first 10 years,
- Using over $50 billion in higher Social Security taxes to offset health spending,
- Leaving out entirely the cost of paying Medicare doctors,
- Pretending that over $450 billion in payment cuts to Medicare providers will be possible *without changing in any real way* the operation of Medicare,
- And planning to collect a tax on cadillac health insurance that the unions have already gutted and will not tolerate.

In short, there was *never* any reason to believe that the law reduced the deficit by roughly $140 billion over ten years. Starting two new open-ended entitlements without fixing the existing budgetary cancers just doesn’t work that way.

For the same reasons, repealing Obamacare is simply a first step toward fiscal sanity that should happen as soon as possible.

Don’t blame the CBO. Blame GOGI budgeting.

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