



Written by [Thomas R. Eddlem](#) on October 15, 2013

A GOP Senate Cave-in?

Senate Republican negotiators are reportedly [considering](#) a grand bargain with Senate Majority Leader Harry Reid to raise the debt limit and reopen the partially closed federal government with no major spending cuts and no significant changes to ObamaCare.

"The framework under consideration," the *Washington Post* [reported](#) October 14, "includes only minor changes to President Obama's signature health-care law, falling well short of defunding it or delaying major provisions as conservative Republicans initially sought. Instead, Republicans would get only new safeguards to ensure that people who receive federal subsidies to purchase health insurance under the law are eligible to receive them."



Moreover, Democratic-leaning [unions stand poised to win](#) an exemption from the ObamaCare tax they sought, in the form of delaying a "belly button tax" that would charge \$63 per covered person in order to pay for persons in the high-risk pool with pre-existing conditions.

The new deal between Senate Minority Leader Mitch McConnell (R-Ky.) and Senate Majority Leader Harry Reid (D-Nev.), if accurate, may make remarks by Senate conservatives obsolete. Senator Rand Paul (R-Ky.) [told](#) CNN's *State of the Union* October 13, "I think it is untenable for the president to say he won't negotiate. And he still repeated that when we were in the White House the other day. He is talking to us which I think is negotiation, but he's also saying 'I will not pay for raising of a debt ceiling ... I have to get this without any conditions,' which is sort of him saying unconditional surrender, which is not negotiation."

The argument over annual funding of the federal government has revolved around the funding of ObamaCare, the so-called Affordable Care Act, which is the signature legislative victory of Obama's presidency. Tea Party senators and representatives, such as Senator Ted Cruz (R-Texas), have insisted that annual appropriations bills have a provision to kill federal spending for ObamaCare as a condition of moving forward. The Senate Democratic majority has blocked House-passed spending bills, and President Obama has threatened to veto any legislation that does not fund ObamaCare.

Syndicated columnist Thomas Sowell wrote in a [column](#) published by *The New American* October 8 that Senate Democrats must accept responsibility for shutting down the government:

If Senator Reid and President Obama refuse to accept the money required to run the government, because it leaves out the money they want to run ObamaCare, that is their right. But that is also their responsibility. You cannot blame other people for not giving you everything you want. And it is a fraud to blame them when you refuse to use the money they did vote, even when it is ample to pay for everything else in the government.



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The key issue regarding ObamaCare is whether the House alone — if it sticks to its principles — can defund ObamaCare all by itself. While the House of Representatives alone controls the financial purse-strings of the federal government, the budget process is more complicated than a simple financial cut-off by the House. About two-thirds of the federal government is funded automatically through “mandatory” spending, requiring no positive vote from Congress, which explains why only a small percentage of the federal government shut down when the budget impasse crossed into the new fiscal year on October 1.

Most of the ObamaCare program is among this automatic “mandatory” funding, which has led the White House to claim that the House Republicans are incapable of defunding ObamaCare. And the Obama administration has pointed to the rollout of ObamaCare on October 1 as proof that the program cannot be defunded by the House alone.

But the president’s healthcare program also [relies upon substantial “appropriations” spending](#) that must be funded by Congress every year, according to a September 17 [report](#) by the non-partisan Congressional Research Service. According to the report,

There is the discretionary spending by the federal agencies responsible for implementing the ACA’s reforms. The CBO projects that the two agencies largely responsible for the law’s implementation — CMS [Centers for Medicare and Medicaid Services] and the Internal Revenue Service (IRS) — each will incur substantial costs in connection with administering and enforcing the law.

The Congressional Research Service report [noted](#) that this funding amounted to nearly \$1.36 billion in 2013 and \$1.84 billion in 2014, neither of which Congress has appropriated. “For FY2013, CMS requested an additional \$1 billion for ACA implementation, and the IRS requested an additional \$360 million to administer and enforce the ACA’s tax-related provisions.... The Administration’s FY2014 budget request included \$1.4 billion in new funds for CMS for ongoing ACA implementation, plus an additional \$440 million for the IRS for its ACA-related activities.”

Without this money, the Obama administration has been forced to [deplete its slush funds](#) during fiscal 2013 to keep the program on schedule (though with some [giant bugs](#)), and some of these slush funds are controlled by the annual congressional appropriations process, according to the Congressional Research Service:

In the absence of any new FY2013 discretionary funding for these activities, HHS reportedly has been using funds from the following sources:

- approximately \$235 million in unobligated HIRIF funds carried over from FY2012;
- \$454 million in mandatory funds from the PPHF;
- \$450 million in no-year funds from the nonrecurring expenses fund (NEF); and
- approximately \$116 million from the Secretary’s authority to transfer funds from other HHS accounts.

The administrative funds subject to appropriations may be made worse by cost overruns for waste and mismanagement, which is [already happening](#). The Treasury Department’s inspector general [found September 18](#) of the \$1 billion HIRIF “that the IRS did not track all costs associated with implementation of the ACA, including costs not applied to the HIRIF. The IRS did establish a methodology to track ACA costs in its accounting records. However, the IRS informed us that it accounted for only direct costs, such as labor and contract costs, because it did not believe indirect



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costs should be recovered from the HIRIF.”

And while it’s true that with much of the current federal budget on auto-pilot with mandatory spending, the House Republicans can’t alone sink ObamaCare by denying it funding, they can deny the White House administrative funds and make ObamaCare list to the starboard side and crash into the dock. The waste and mismanagement of the ACA by the White House already has put it in jeopardy, and only a capitulation by congressional Republicans can rescue the otherwise-doomed program.



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