



Written by [Joe Wolverton, II, J.D.](#) on November 13, 2009

New Day, New Tax, Healthcare Reform Rolls On

Nobody wants to disappoint President Obama on the eve of the holiday season, so all the stops are going to be removed in order to deliver a comprehensive healthcare bill to his desk by Christmas. White House Budget Director Peter Orszag reckons that procedural and political obstacles notwithstanding, a bill creating a new system of national healthcare will be ready for President Obama's signature before the end of the year.



"We think we're going to get this done before the end of the year. We need the Senate to move, and we need to move to conference," he said, referring to the compromise bill that will need to be crafted and voted on by both houses before the President's signature could make the legislation the law.

The timing is getting tight if Orszag's speculation is to be brought to pass. As indicated above, although the House of Representatives has passed one iteration of comprehensive healthcare coverage, the Senate must develop, debate, and pass its own version, and then the two bills must be combined into one mutually agreeable bill by a conference committee. Then that bill must be approved by both houses of the legislature. Every step on that path is pocked with pitfalls and there is as yet a substantial bloc of Senators unwilling to travel onward if the road before them still ends at the "public option" or government-funded medical insurance.

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As for precisely how the money to fund this overhaul is to be raised, the scheme's sponsors are being coy. Senate Majority Leader Harry Reid (D-Nev.) is huddling daily with various groups of the bill's proponents to come up with a foolproof game plan for convincingly demonstrating to the President the fiscal feasibility of whichever of the various models are finally adopted and are delivered to his desk. Reid and his fellows admit that the legislation, no matter what the fine points, will carry a price tag no lower than \$800 billion over 10 years. The Congressional Budget Office (CBO) must have huge skirts because everybody from Senator Harry Reid to President Obama is hiding behind them lately when it comes to articulating a reliable dollars-and-cents estimate of just how many commas the final figure will have.

In the end, there is little doubt that when the CBO announces the results of its ciphering, a way to pay for the plan will have been found. In fact, to evince the inevitability of the matter, all those bound and determined to shepherd this historic and humongous healthcare bureaucracy through Congress and onto the already bowing backs of the American people (more specifically, onto the middle class that as usual will bear the heaviest burden) are proposing a litany of new taxes whose revenue will be spent on



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providing “free” healthcare to the uninsured.

In addition to the Medicare tax increase described yesterday in *The New American*, the latest revenue-raising idea is called the “Cadillac Tax.” This tax would be a 40-percent excise tax on high-end, or “Cadillac” benefits, of health plans available within the new system. As yet, there has been little support for this notion, but the bill’s advocates will not be dissuaded so easily.

An old familiar source of “easy money” is being suggested by some zealots of the socialized system — capital gains on the “wealthy.” The idea is that instead of a payroll tax increase as recommended yesterday by Senator Reid’s office, the new Medicare tax would be applied to the profit made from investments, the capital gains, of those earning above an as-yet unspecified threshold income. As one might expect this early in the game, the White House has refused to confirm its support for that strategy. “We have to see the package as a whole,” Orszag told the Bloomberg News Service.

Republican Senator Olympia Snowe (R-Maine) has collaborated with Senate Finance Committee Chairman Max Baucus on a project to raise the required revenue by increasing the Medicare tax only on those objects in “health-related” areas. Given that most members of Congress are attorneys, there is sure to be unprecedented wrangling over just what is or isn’t related to healthcare. If the legislature’s penchant for broad interpretation in other areas is a reliable guide, then there are sure to be very few aspects of daily life that aren’t somehow associated, no matter how tenuously, to healthcare. After all, most departments and agencies promulgated by Congress are justified constitutionally as being a part of “commerce,” so it isn’t a stretch to anticipate Congress will employ this skill anew in a quest to find connecting lines, no matter how faint, between any available source of money and healthcare.

Finally, in a tactic calculated to put capitalist gild on the collectivist lily, President Obama pointed Thursday to the results of a study conducted by the Business Roundtable, a cadre of blue chip company heads, into the monetary minutiae of healthcare reform. Antonio Perez, CEO of Eastman Kodak Company, speaking for the group, told news agencies that “reform done wrong won’t work and could make a bad situation much worse, in which case Business Roundtable could not support the bill.” That is not to say that they don’t think that reform can’t be done right, however. In fact, the report released last week indicates that most of these industry executives believe that many of the proposals currently being bandied about by Senators and Obama insiders could actually lower the net cost of healthcare per taxpayer.

Congress and the White House have pledged to cooperate with the Business Roundtable and assimilate their collected financial savvy into a legislative package that provides healthcare to all Americans. Never one to disregard a political bedfellow, no matter how strange, Obama repackaged the Roundtable’s findings and remarked that he interpreted the report as the country’s largest employers making it “clear the steep price that American businesses stand to pay if we fail to act.” The unvarnished truth of the matter is that no matter who ends up paying, the price will be steep and the climb to the summit will be forced.

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