



Written by [Warren Mass](#) on June 7, 2013

President Promotes ObamaCare During California Fundraising Trip

President Obama used his fundraising trip to California today to promote the Affordable Care Act — popularly known as ObamaCare. [KMJ Radio](#) in Fresno reported that Obama arrived in California on Thursday evening, June 6, to attend Democratic Senatorial Campaign Committee (DSCC) fundraisers in Palo Alto and Portola Valley.



The president appeared at a Democratic National Committee fundraiser today in Santa Monica. His schedule then calls for him to travel to the Sunnylands estate in Rancho Mirage, near Palm Springs, for a private two-day meeting with Chinese President Xi Jinping.

The [White House transcript](#) of the president's remarks at the DSCC event in Palo Alto covered several topics, including:

When it comes to making sure a nation this wealthy provides affordable, accessible health care for every American — that's something we can do. There's no other advanced nation on Earth where 10, 15 percent of the population doesn't have health care — none. Well, why should we be any different as the greatest nation on Earth? And government has a role to play to make that happen.

The president did not explain why a nation with a national debt of \$16.7 trillion dollars should be categorized as "wealthy." He also did not cite the portion of the Constitution that authorizes the federal government to play a role in healthcare.

A [Reuters news report](#) noted that because California is the nation's most populous state, it is important for the administration to receive support there for the ObamaCare plan. The report quoted from Joseph Antos, a health policy economist with the neoconservative American Enterprise Institute, who asserted that under ObamaCare, people with incomes under the poverty level will do well, but others might not benefit: "It's going to be the ones further up who end up paying," said Antos. "It's also the taxpayer who is going to end up picking up the cost of the subsidies that are going to be offered nationwide."

The report noted that California has been one of the earliest states to develop its own health insurance exchange, called Covered California. The projected rates for participation vary quite widely, with premiums for a 40-year-old expected to be between \$40 to \$300 per month for a "midlevel plan," depending on the person's income level and subsidies.

A [Washington Post blog](#) entitled, "California is the White House's proof that Obamacare is Working," compared differences in the implementation of the plan in California, the first state to create a health exchange, and Ohio, which has declined to do so. The writers claimed that Ohio and 26 other states, by refusing to participate, were "saddling the administration with an enormous and unexpected job." The blog suggested that because most of the non-participating states were led by Republicans, they



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basically were spoilsports and a thorn in the side of the Obama administration.

The *Post* blog noted that officials in Ohio's "Republican-led administration" released the rates proposed by insurers there on Thursday, estimating that they represented an 88-percent price increase.

"We have warned of these increases," said Lt. Gov. Mary Taylor. "The Department's initial analysis of the proposed rates show consumers will have fewer choices and pay much higher premiums for their health insurance starting in 2014."

Supporters of ObamaCare apparently are counting heavily on California to shore up support for the plan.

"I don't think the Affordable Care Act can succeed unless it succeeds in California," the *Post* blog quoted Drew Altman, president of the nonpartisan Kaiser Family Foundation. "It's not often we're saying as goes California, so goes the nation. But it's true this time."

In a June 7 article posted at [Forbes.com](#), writer Peter Ferrara asserted that California's insurance premiums are soaring and that statistics to the contrary issued by Covered California were deliberately skewed.

"See if you can immediately spot the dishonest fallacy in the key summary statement in the Covered California press release," asked Ferrara: "The rates submitted to Covered California for the 2014 individual market ranged from 2 percent above to 29 percent below the 2013 average premium for small employer plans in California's most populous regions."

Ferrara argued that Covered California was comparing apples to oranges: "This is like a California Chevy dealer in a year when the price of new Chevys has soared, issuing a press release that says, 'The prices for new Chevy autos and trucks this year ranged from 2 percent above to 29 percent below the average price this year for new Cadillac autos and trucks in California's most populous regions.' "

After citing other pro-ObamaCare statements he regarded as statistically flawed, Ferrara got to the bottom line, quoting from fellow *Forbes* commentator Avik Roy, whom he said had examined health insurance policies currently offered on the unofficial, private-sector, non-political health insurance exchange and concluded: "Obamacare, in fact, will increase individual-market premiums by as much as 146 percent."

The New American's online contributor Michael Tennant, in an article posted on June 5, also referred to Covered California's press release claiming that the premiums for California's ObamaCare plans would be "either slightly higher or significantly lower than comparable existing plans."

Tennant quoted from Covered California's vague statement designed to hedge all bets: "It is difficult to make a direct comparison of these rates to existing premiums in the commercial individual market because in 2014, there will be new standard benefit designs under the Affordable Care Act, and the actual change in an individual's premium will depend on the person's current insurance coverage."

Tennant cited a comparison made by Bloomberg View columnist Lanhee Chen, using an actual individual health plan for a "hypothetical male living in San Francisco and making more than \$46,000 a year." The hypothetical male, noted Chen, can "buy a PPO plan from a major insurer with a \$5,000 deductible, 30 percent coinsurance, a \$10 co-pay for generic prescription drugs, and a \$7,000 out-of-pocket maximum for \$177 a month."

How does this compare with the cheapest plan offered on the Covered California exchange? The exchange plan offering "nearly the same benefits, including a slightly lower out-of-pocket maximum of



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\$6,350, will cost him between \$245 and \$270 a month,” Chen found. “That’s anywhere from 38 percent to 53 percent more than he’ll have to pay this year for comparable coverage! Sounds a lot different than the possible 29 percent ‘decrease’ touted by Covered California in their faulty comparison.”

The Obama administration is betting the farm on the hope that Californians will respond favorably in sufficient numbers to make the plan workable enough to serve as a model for the rest of the nation. Judging from the assessment of statistics reported in *Forbes* and elsewhere, however, the plan is a lemon that buyers will be wary of.



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