



Written by [Michael Tennant](#) on April 5, 2013

As ObamaCare's Problems Grow, Even Democrats Push for Partial Repeal

Is ObamaCare beginning to fall apart? According to [Fox News' Jim Angle](#), the answer is *yes*. What's more, he reports, Democrats are willingly participating in its undoing.

Problem number one for the healthcare law is that the federal government is far behind schedule in developing insurance exchanges for small businesses — so far behind that the exchanges have been delayed an entire year.



"Lots of small businesses struggle with providing insurance for their workers so this was supposed to facilitate it and make it easier for small business to do this," Jim Capretta of the Ethics and Public Policy Center told Angle. "It was a huge portion of the sale job. When they passed the law in 2010 there were many senators and members of Congress who were saying 'I am doing this because it's going to help small businesses.'"

If so, it's not going to help them until 2015 at the earliest. In the meantime, what was supposed to be a variety of coverage options for small-business employees will now be just one choice — which, of course, isn't a choice at all. This "could mean they can't shop for insurance that includes their current providers," Angle notes. So much for President Barack Obama's [promise](#) that people who like their insurance plans will be able to keep them under his healthcare law.

On top of that, state insurance exchanges, which are supposed to make it easier for people to purchase coverage on the individual market, are scheduled to open in 2014. Since many small businesses are exempt from ObamaCare's employer mandate because they have fewer than 50 employees, Angle writes, "analysts now fear many might just stop trying [to insure their employees] and let workers go on the ... state exchanges."

That assumes that the state exchanges will be up and running next January. States have not exactly rushed to set them up. In fact, [more than half](#) — 26, to be exact — have chosen not to do so, placing the burden of establishing their exchanges squarely on Uncle Sam.

Because so many states have opted out of creating their own exchanges, "it is looking increasingly as if the Administration has painted itself into a corner," columnist [Joseph Totah](#) maintains. The Obama administration, he says, "is having tremendous difficulties creating the massive information technology backbone required for their insurance exchanges to work. Current estimates are that they are running at least three months behind an already tight time schedule just trying to write software. That's hanging up everyone waiting on the Feds to come up with their solution, because the states still have to make it work."

That was in February. Chances are the administration is even farther behind now. When was the last time a government project came in on time?

The second major problem for ObamaCare is the new 2.3-percent excise tax on medical devices. The tax



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was supposed to help pay for the law's insurance subsidies, but it is proving so onerous that even Democrats want to repeal it.

It would be bad enough if the tax were on the *profits* from device sales. This one, however, is "a tax on gross sales — meaning it adds up to a much bigger percentage of a company's profits," according to Angle. In fact, because the tax is levied on gross sales rather than profits, "many companies will owe more in taxes than they generate from their operations," [Mark Perry](#) of DailyMarkets.com avers. "The result will be devastating to innovation, patient care and job creation."

That's certainly the way device makers see it. A recent [survey](#) found that almost a third of them expect the tax to have a "very negative impact" on their bottom lines. And despite assurances from ObamaCare backers that the increased customer base the law will allegedly open up to them will make up for the tax, "the 7,000 small companies with 400,000 employees who make a wide range of devices" expect to take it on the chin, says Angle:

[CEO] Christine Jacobs of Theragenics said: "We make widgets — hips, knees, stents, pacemakers, and implants, even, for prostate cancer. Those widgets tend to be used by people that are elderly. As the body parts wear out, we're needed."

But Jacobs notes that most people whose body parts wear out are already on Medicare, so ObamaCare does not provide a new revenue stream for her company — only financial pain.

"In the case of a small company, that medical device tax is equal to our R-and-D budget for this year," Jacobs said.

Former Democratic Sen. Evan Bayh, who favors repealing the tax because of its "adverse consequences to our economy and the quality of health care," told Angle that "in his own state of Indiana, one company planned to open up to five facilities over the next five years but had to scrap those plans because of the 'uncertainty created by this tax.'"

Other device makers didn't just discard expansion plans; they actively cut their workforces. Last year several announced [layoffs](#) aimed, at least in part, at reducing costs in anticipation of the hit they will take from the device tax.

Humans won't be the only ones to suffer if the tax remains on the books. "The tax will even be applied to sutures used on pets that Theragenics developed for the veterinary market," Angle reports. That's because devices that could be used on both humans and animals, even if they are intended for animals, are subject to the tax; only devices strictly for pets are exempt. At least one veterinarian has [warned his patients' owners](#) to expect higher bills because of the tax, and others are concerned about the possibility.

All of this — undoubtedly combined with industry lobbying — has caught Congress' attention. That the Republican-run House of Representatives would vote to repeal the device tax comes as little surprise. But the Democrat-dominated Senate, by a vote of 79-20 ("including several liberal lawmakers," observes Angle), did likewise. While the two separate votes haven't yet become law and Obama has threatened to veto any repeal bill that crosses his desk, "Bayh notes that 79 votes in the Senate would be more than enough to override any veto," Angle writes.

Clearly, ObamaCare is coming apart at the seams even before it has been fully implemented. The closer we get to complete implementation, the more apparent the law's flaws and unintended consequences are going to become. We can only hope that, as with the device tax, these problems will become so



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obvious that even Obama's own party feels compelled — if only to save its own skin — to junk the entire law. Obama, after all, won't be on the ballot in 2016; but most other Democrats will.



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