

# The Obamacare Fraud and the Case for Socialized Medicine

By [Kate Randall](#)

Region: [USA](#)

Global Research, October 24, 2017

[World Socialist Web Site](#) 1 October 2013

First published by WSWS and Global Research in October 2013

After years of promotion, lobbying and political wrangling, health insurance exchanges are opening for business today across the country as part of the Patient Protection and Affordable Care Act (ACA). Under the health care overhaul, people without health insurance are mandated to purchase coverage from private insurers or face a penalty. Coverage for enrollees is set to begin January 1, 2014.

The insurance exchange launch is a milestone in a process that, in the guise of “reform,” has been aimed at funneling billions of dollars into the coffers of the private health insurers and slashing costs for the government and corporations. In the end, it will leave tens of millions uninsured and others with vastly deteriorated medical services.

In his bid for the presidency, Barack Obama pledged to implement a sweeping social reform in the provision of health care in the United States. He claimed that under his plan no insurer would be allowed to deny coverage to a sick child, or an individual with a preexisting condition; no family would go bankrupt or hungry due to health care costs; and that the insurance companies would be held to account.

The process now underway demonstrates that a colossal fraud has been perpetrated against the American population in the name of Obamacare, and that all of these promises were lies.

Any nominally progressive feature of the legislation has been long since stripped away or abandoned. But the truth of the matter is that it was *never* about improving medical care for ordinary Americans, and it was *always* about setting up an even more heavily class-based system of health care delivery. From the beginning, Obama promised that his “reform” would slash hundreds of billions of dollars from Medicare, and costs would be further cut by eliminating “unnecessary” treatments and services.

Even after the bill’s passage, without the much-vaunted “public option,” one concession after another was made to big business: only companies with 50 or more employees would have to provide insurance, only those working 30 hours or more had to be covered. Bare-bones, “skinny” plans—without hospitalization and surgery coverage—would be considered “adequate” employee-sponsored plans. Those businesses that do not comply would face minimal penalties.

People without coverage through their employer, or from a government program such as Medicare or Medicaid, are to make up the fresh pool of captive, cash-paying customers who

must fend for themselves on the insurance exchanges. Beginning today, those browsing the offerings on the new “marketplace” will confront a confusing array of plans, but with one common feature: The least expensive plans offer the lowest levels of coverage with limited choices, and the highest out-of-pocket costs.

While those shopping for insurance plans will be provided with minimal government stipends or none at all, there is no meaningful oversight over what the insurance companies can charge for coverage. If an insufficient number of young, healthy people sign up, the insurers can be expected to jack up premiums even higher to bolster their cash flow.

According to the Congressional Budget Office, the health care overhaul will leave an estimated 31 million people—about a tenth of the US population—uninsured by 2023. Undocumented workers and their families are barred from purchasing coverage on the exchanges. Due to a “family glitch” in the law, businesses are only required to provide “affordable” insurance to their employees, not to their employees’ families, so those family members will not receive subsidies to purchase coverage on the exchanges.

The very poorest people will also be ineligible in some states. While the US Supreme Court ruled the ACA constitutional, it struck down a component of the law that called for expanding Medicaid. The result is that in 21 states, many people making below the poverty level will not be eligible for either ACA subsidies or Medicaid. Still others will be forced to go without coverage because they simply cannot afford it, with or without the government subsidies.

The health care overhaul is effecting a shift in the insurance market as a whole. Some companies and municipalities are already planning to end coverage for retirees and/or active workers, dumping them onto the exchanges. Still others are ending traditional employer coverage and offering workers a defined contribution to purchase coverage on private insurance “exchanges” set up by their employers, with limited choices and high out-of-pocket costs. One in four employers are reportedly considering moving their workers to a private exchange over the next three to five years.

The health care bill is thus playing an additional insidious role, serving as a model for employers and local governments that currently provide insurance to an estimated 150 million people.

Employer-sponsored insurance, which since World War II has been the traditional way workers at most companies received coverage, is being eliminated by many employers and replaced with a voucher system. The same type of sea-change is being eyed in relation to Medicare by politicians of both big business parties, who would like to see the government-run program for millions of seniors and the disabled scrapped in favor of a voucher system.

Those ostensibly liberal Obama supporters who have long championed the ACA as a progressive reform are still attempting to pull the wool over the eyes of an increasingly skeptical American public. The *New York Times*, which has campaigned relentlessly for cost-cutting in health care, headlined an editorial Saturday, “Dawn of a Revolution in Health Care,” writing that the legislation “Is a striking example of what government can do to help people in trouble.”

What a pack of lies! Obamacare is a thoroughly counterrevolutionary measure, crafted in the interests of the type of elite, wealthy layers that populate the *Times* editorial staff.

The *World Socialist Web Site* has told the truth about the health care reform from the beginning of the debate and warned of its reactionary nature. In opposition to the proposals of the entire political establishment, we have insisted that health care is a social right that should be provided to all, free of charge. Decisions about medical care and the well-being of society should not be subordinated to the interests of a tiny minority, who hold the rest of society hostage to their profit motives.

The wealth and technological means exist to establish a system that can provide universal, quality health care to every American. But in this most unequal of societies—where the richest one percent now monopolize more than 22 percent of all household income—the ruling elite hoard their cash while millions of Americans are plunged into poverty, are jobless or underemployed, and go uninsured.

The Obamacare catastrophe demonstrates the incompatibility of the private ownership of the means of production and the basic social rights of the working class, including health care, education, jobs, and a secure retirement. It points to the necessity of placing the entire health care industry—the insurance companies, pharmaceuticals, and the giant health care chains—on socialist foundations.

The original source of this article is [World Socialist Web Site](#)  
Copyright © [Kate Randall](#), [World Socialist Web Site](#), 2017

---

**[Comment on Global Research Articles on our Facebook page](#)**

**[Become a Member of Global Research](#)**

Articles by: [Kate Randall](#)

**Disclaimer:** The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)

[www.globalresearch.ca](http://www.globalresearch.ca) contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)