

IN CASE YOU MISSED IT

WSJ: Behind the ObamaCare Boom

This week, *The Wall Street Journal* Editorial Board released a [piece](#) that examines increased enrollment in Obamacare exchange plans, noting “**sweetened subsidies are attracting more takers, at taxpayer expense.**”

In 2021, Congressional Democrats radically expanded the generosity and eligibility of Obamacare subsidies to cover up for the failure of Obamacare to control the skyrocketing cost of health insurance premiums.

With these policies, Democrats did not expand the pool of eligibility to those who need it, yet did so for our nation’s wealthiest. In 2023, a family making up to \$599,000 could [qualify](#) for government premium assistance. Democrats subsequently extended these more generous subsidies through 2025 in the so-called “Inflation Reduction Act.”

The expansion forces taxpayers to foot the bill for this handout to wealthy Americans and large health insurance companies, adding to our mounting \$34 trillion in national debt.



WORD ON THE STREET



Via [The Wall Street Journal](#):

- “President Biden took a victory lap last week after the Health and Human Services Department reported that a record 21.3 million Americans had signed up for coverage on the ObamaCare exchanges...“It’s no accident,” the President tooted. **He’s right, but not in a good way.**”
- “The March 2021 American Rescue Plan Act sweetened the premium tax credits to make insurance on the exchanges free or nearly free for many middle-class Americans for two years. The Inflation Reduction Act extended the bigger subsidies through 2025, while his Administration rewrote ObamaCare rules to enable more families to qualify.”



- “Recall that Democrats claimed that extending the sweetened subsidies for three years would cost a mere \$64 billion. But a conservative back-of-the-envelope calculation based on enrollment and the average tax credit indicates that the subsidy boost this year alone will cost some \$70 billion—**meaning it could end up costing three times what the politicians claimed.**”
- “Because the enhanced subsidies make the plans cheaper than employer coverage, many more Americans are signing up on the ObamaCare exchanges.”
- “When the government creates an open-ended subsidy, more people than predicted always show up to the buffet. The pandemic Medicaid expansion cost more than six times the original \$50 billion estimate.”

THE BOTTOM LINE

The Wall Street Journal confirmed what we already know: In 2024, federal spending on Obamacare subsidies is [projected](#) to cost \$82 billion. More concerning, last year, the nonpartisan Congressional Budget Office (CBO) and Joint Committee on Taxation [revised](#) their projections of Obamacare subsidy outlays by \$7 billion for 2023 and \$160 billion (or nearly 18 percent) for the 2024-2033 period, largely due to higher enrollment than previously estimated.

Policymakers have a responsibility to advance reforms to reduce federal health care spending and improve patient access to quality and affordable health care.

The House Budget Committee’s Fiscal Year 2024 “Reverse the Curse” [Budget Resolution](#) outlines reforms needed to reduce reign in runaway mandatory spending, including by reinstating income eligibility limits to prevent America’s wealthiest from qualifying for government assistance.

