



The ObamaCare Train Derails

Three Years Into ObamaCare And Amidst Increasing Unpopularity, Obama Punts Away His Employer Penalty Until After The 2014 Election

THE OBAMACARE EMPLOYER PENALTY HAS BEEN DELAYED UNTIL 2015

The Obama Administration Announced That It Would Delay The ObamaCare Penalty On Businesses That Don't Provide Health Insurance Until 2015. "Businesses won't be penalized next year if they don't provide workers health insurance after the Obama administration decided to delay a key requirement under its health-care law, two administration officials said." (Mike Dorning and Alex Wayne, "Health-Law Employer Mandate Said To Be Delayed To 2015," [Bloomberg](#), 7/2/13)

In Its Announcement, The Treasury Department Conceded That The Mandate's Delay Was Due To "Concerns About The Complexity Of The Requirements." "We have heard concerns about the complexity of the requirements and the need for more time to implement them effectively." (Mark J. Mazur, "Continuing To Implement The ACA In A Careful, Thoughtful Manner," [U.S. Department Of Treasury's Notes Blog](#), 7/2/13)

- **The Administration Was Forced To Delay The Penalty Due To Concerns About Businesses Adapting To The Law.** "The two officials, who asked not to be identified to discuss the move ahead of its announcement, said the administration decided to wait until 2015 before enforcing the employer mandate in order to simplify reporting requirements and give businesses more time to adapt their health-care coverage." (Mike Dorning and Alex Wayne, "Health-Law Employer Mandate Said To Be Delayed To 2015," [Bloomberg](#), 7/2/13)

"The Delay Is The Latest Snag To Hit" ObamaCare. "The delay is the latest snag to hit the Affordable Care Act, the biggest transformation in U.S. health care since the introduction of Medicare in the 1960s. New insurance exchanges designed to allow smaller businesses with as many as 100 workers to shop for coverage have faced difficulties getting off the ground in time for open-enrollment season this fall." (Louise Radnofsky, "Health Law Penalties Delayed," [The Wall Street Journal](#), 7/2/13)

The Delay "Threatens To Throw Into Disarray The Administration's Effort" To Implement ObamaCare's Provisions By January 1. "While the postponement technically does not affect other central provisions of the law — in particular those establishing health insurance marketplaces in the states, known as exchanges, where uninsured Americans can shop for policies — it threatens to throw into disarray the administration's effort to put those provisions into effect by Jan. 1." (Jackie Calmes and Robert Pear, "Crucial Rule Is Delayed A Year For Obama's Health Law," [The New York Times](#), 7/2/13)

- **CBS's John Dickerson: "This Is Not Good. It Sort Of Contributes To The Feeling That The Affordable Care Act Is A Jalopy They're Trying To Roll Out Of The Driveway Here, At Barely Operational For The President."** "DICKERSON: As a political matter, this is not good. It sort of contributes to the feeling that the affordable care act is a jalopy they're trying to roll out of the driveway here, at barely operational for the president. So that's not good. The White House made the decision though, take the pain now before the July 4th weekend rather than have the stories over the next year where companies are laying off workers or having such a hard time implementing this." (CBS's ["This Morning"](#) 7/3/13)
- **ABC's Rick Klein: "Any Assurance That You Had Before About How Smooth The Transition's Gonna Be, That Is Now Under Serious Question Tonight."** KLEIN: "This is a huge priority for the Obama Administration and they have said -- 'We've got this one, we know that there are people out there that are wondering whether this law is unmanageable, whether it's unworkable, don't worry about it. Now they have said wait a second, even though we have had three plus years to work on this, another six months won't be enough. We need another 18 months to make this become a reality.' So any assurance you had before about how smooth the transition's gonna be, that is now under serious question tonight." (Fox News' ["On The Record"](#) 7/2/13)

The Delay Marks Another "Significant Setback" For Obama

The Delay Is "A Significant Setback For President Obama's Signature Domestic Initiative." "In a significant setback for President Obama's signature domestic initiative, the administration on Tuesday abruptly announced a one-year delay, until 2015, in his health care law's mandate that larger employers provide coverage for their workers or pay penalties. The decision postpones the effective date beyond next year's midterm elections." (Jackie Calmes and Robert Pear, "Crucial Rule Is Delayed A Year For Obama's Health Law," [The New York Times](#), 7/2/13)

Earlier This Year, The Delay Of ObamaCare's Small Business Exchanges Was A "Significant Interruption." "It is also the second significant interruption for the Affordable Care Act, following a one-year delay on key functions of the small business insurance marketplaces." (Sarah Kliff, "White House Delays Employer Mandate Until 2015," [The Washington Post](#), 7/2/13)

The Ending Of ObamaCare's Community Living Assistance Services And Supports Program, Better Known As CLASS, Was The Obama Administration's "First Major Reversal On Its Signature Domestic Achievement." "The Obama administration said Friday it wouldn't implement a long-term care insurance program that is part of the 2010 health overhaul, its first major reversal on its signature domestic achievement." (Louise Radnofsky, "Long-Term Care Gets The Ax," [The Wall Street Journal](#), 10/25/11)

- **"The Administration's Decision Was Another Setback ..."** (Robert Pear, "Health Law To Be Revised By Ending A Program," [The New York Times](#), 10/14/11)

ObamaCare's "Unpopular" 1099 Tax-Reporting Provision Was Repealed. "President Obama on Thursday signed into law a measure that repeals the unpopular 1099 tax-reporting provision of the national health-care law." (Felicia Somnez, "Obama Signs Repeal Of Health-Care Law's '1099' Tax-Reporting Rule," [The Washington Post](#), 4/14/11)

THE OBAMACARE DELAY COULD CREATE NEW TROUBLES FOR EMPLOYEES AND TAXPAYERS

Large Employers Will Now Have The Option Of "Cutting Coverage Of Employees And Having Them Seek Coverage On The Exchange Instead." "But not only will the government lose the revenue for the

penalties, it may also have to pay more in subsidies. Most larger employers provide health insurance to remain competitive. But the delay means that they have the option — at least temporarily — of cutting coverage of employees and having them seek coverage on the exchange instead. The mandate in part was meant to stop exactly that.” (Brett Norman and Jennifer Haberkorn, “Key ObamaCare Rule For Business Delayed For Year,” [Politico](#), 7/2/13)

- **Former CBO Director Douglas Holtz-Eakin: “Essentially For Calendar 2014 The Act Of Dropping Coverage And Dumping Employees Into The Exchanges Is On Sale.”** “‘Essentially for calendar 2014 the act of dropping coverage and dumping employees into the exchanges is on sale,’ former Congressional Budget Office Director Douglas Holtz-Eakin said. ‘Drop and dump, but no penalty. Accelerating the rush of employers to the exits is bad news for taxpayers. At a minimum, the federal revenue from fines is gone. More realistically, the costs of already-bloated insurance subsidies will escalate and the red ink will rise.’” (Brett Norman and Jennifer Haberkorn, “Key ObamaCare Rule For Business Delayed For Year,” [Politico](#), 7/2/13)

The Decision To Delay The Employer Penalty Is Also “Likely To Raise The Price Tag Of ObamaCare” For Taxpayers. “The move is also likely to raise the price tag of Obamacare by making more people eligible for subsidies, namely those whom employers would have covered under the threat of penalties under the law. Employers with 50 or more ‘full-time equivalent’ employees were required under law to provide affordable insurance or else pay \$2,000 per year penalty per employee.” (Brett Norman and Jennifer Haberkorn, “Key ObamaCare Rule For Business Delayed For Year,” [Politico](#), 7/2/13)

But The Delay Won't Help The Businesses That Will Still Be Hit By ObamaCare's Billions In Penalties In 2015

The Congressional Budget Office (CBO) Estimates That In 2015, Employers Will Pay \$10 Billion Due To ObamaCare’s Employer Penalty. (“Estimate Of The Effects Of The Affordable Care Act On Health Insurance Coverage,” [Congressional Budget Office](#), 5/14/13)

- **From 2013 To 2023, The CBO Projects That Employers Will Pay \$140 Billion In ObamaCare Mandated Penalties.** (“Estimate Of The Effects Of The Affordable Care Act On Health Insurance Coverage,” [Congressional Budget Office](#), 5/14/13)

Small Business Owners Plan To Hold Off On Expanding Their Business To Stay Below ObamaCare's 50 Full-Time Employee Threshold. “To avoid the employer mandate, some small firms are considering other strategies, such as increasing employees' share of the premiums, so they don't have to shoulder the entire cost of offering benefits. Others say they will stay under the 50 full-time employee threshold or deliberately turn full-time workers into part-timers.” (Emily Maltby and Sarah E. Needleman, “Some Small Businesses Opt For The Health-Care Penalty,” [The Wall Street Journal](#), 4/7/13)

- **Under ObamaCare, “41 Percent Of Small-Business Owners Say They Have Held Off On Hiring New Employees And 38 Percent Have Pulled Back On Plans To Grow Their Business.”** “When asked if they had taken any of five specific actions in response to the ACA, 41% of small-business owners say they have held off on hiring new employees and 38% have pulled back on plans to grow their business.” (Dennis Jacobe, “Half of U.S. Small Businesses Think Health Law Bad for Them,” [Gallup](#), 5/10/13; Gallup, 603 SBO, MoE 4%, 4/1-5/13)
- **“One In Five (19%) Have Reduced Their Number Of Employees And Essentially The Same Number (18%) Have Cut Employee Hours In Response To The Health Care Law.”** (Dennis Jacobe, “Half of U.S. Small Businesses Think Health Law Bad for Them,” [Gallup](#), 5/10/13; Gallup, 603 SBO, MoE 4%, 4/1-5/13)

OBAMA’S DECISION TO DELAY THE EMPLOYER MANDATE REEKS OF POLITICS AT

ITS WORST

Democrats Are Worried That ObamaCare Will Cause Them To Lose The Senate And Any Chance To Retake The House

The Mandate's Delay "Takes A Controversial Component Of The Law Off The Table Before The Midterm Elections." "The so-called employer mandate, which penalizes employers with more than 50 employees if they fail to provide a minimum standard of affordable health insurance, was set to kick-in in 2014, but now will take effect in 2015 the Treasury Department announced in a blog post first reported by Bloomberg News. The delay not only allows the administration time to alleviate concerns among business owners, but also takes a controversial component of the law off the table before the midterm elections." (Zeke J Miller, "Obama Administration Delays Healthcare Law Employer Penalty Until 2015," [Time](#), 7/2/13)

- ***The New York Times' John Harwood: "The Administration, In Part I Think, Hopes To Get Some Benefit From Delaying These Penalties Until After The 2014 Elections."*** HARWOOD: "One other point that we need to make on this is the political point. And that is that the Administration, in part I think, hopes to get some benefit from delaying these penalties until after the 2014 elections. They've been getting a lot of incoming from Republicans." (CNBC's ["The Kudlow Report,"](#) 7/2/13)
- ***Time's Mark Halperin: "The Politics Of It Are Huge. People Are Looking At The Fact That It Extends Beyond The Mid-Terms. Some People Are Saying They're Trying To Avoid The Political Fallout."*** HALPERIN: "The politics of it are huge. People are looking at the fact that it extends beyond the mid-terms. Some people are saying they're trying to avoid the political fallout in the fight for Congress next year. But there's also the question, and this is what opponents are saying is, 'if this thing is a good idea, the plan is a good idea, why are we delaying it?'" (MSNBC's "Way Too Early," 7/3/13)

Democrats Were Already Worried That ObamaCare Would "Crush Their Hopes Of Big Gains In The Midterms." "Democrats are fretting that ObamaCare is going to crush their hopes of big gains in the midterm elections, just like it cost them the house in 2010. And as bad-news headlines and big-time dips in the polls pile up, the signs of anxiety are starting to show." (David Nather and Darren Samuelsohn, "Democrats Fret Over ObamaCare As 2014 Looms," [Politico](#), 4/30/13)

"There's Plenty Of Evidence Piling Up To Believe Health Care Will Be A Political Millstone For Democrats In 2014." "In the face of intraparty criticism that implementation of his health care law will be a 'train wreck,' new polls showing support for the law near all-time lows, and even the Democratic nominee in next week's House special election calling the law 'extremely problematic' – there's plenty of evidence piling up to believe health care will be a political millstone for Democrats in 2014." (Josh Kraushaar, "Obama's Legacy: 'A Health Care Law That Hurts His Party,'" [National Journal](#), 5/2/13)

- **52 Percent Of Americans Disapprove Of ObamaCare.** "Fifty-two percent of Americans say they disapprove of the 2010 Affordable Care Act, while 44% approve." (Elizabeth Mendes, "Americans Wary Of Health Law's Impact," [Gallup](#), 6/27/13; [Gallup](#), 2,048 A, MoE 3%, 6/20-24/13)
- **42 Percent Of Americans Say That ObamaCare Will Make Their Family's Health Care Situation Worse.** "Forty-two percent say that in the long run, the law will make their family's health care situation worse; 22% say it will make it better." (Elizabeth Mendes, "Americans Wary Of Health Law's Impact," [Gallup](#), 6/27/13; [Gallup](#), 2,048 A, MoE 3%, 6/20-24/13)
- **47 Percent Of Americans Say That ObamaCare Will Make "The Health Care Situation In The**

U.S. Worse.” “And almost half believe the law will make the healthcare situation in the U.S. worse; 34% say it will make it better.” (Elizabeth Mendes, “Americans Wary Of Health Law’s Impact,” [Gallup](#), 6/27/13; [Gallup](#), 2,048 A, MoE 3%, 6/20-24/13)