

## Beware: destination unknown (1/14/10)

Dr. Bob Graboyes, Senior Fellow for Health and Economics  
NFIB Research Foundation | 1201 F Street NW, Suite 200 | Washington, DC 20004  
202.314.2063 | [bob.graboyes@nfib.org](mailto:bob.graboyes@nfib.org) | [www.NFIB.com/DrBob](http://www.NFIB.com/DrBob)

*Washington Post: Even if President Obama signs a comprehensive health-care bill this year, much of it will not take effect until 2013 or later. What do you anticipate will happen in the health-care sector in the intervening years?*

For 2010 to 2013, the Senate and House bills offer only one certainty: tax upon tax upon tax. The bills delay meaningful health-care reform for four years, but immediately bury consumers and employers under a swarm of new taxes. Both bills are so massive, incoherent, and internally inconsistent that their overall effects are beyond anyone's capacity to predict. Both bills sail the health-care system and the U.S. economy past anyone's horizon of experience.

The likely devastating consequences are endless. Continued, perhaps accelerating, cost increases. Doctors abandoning Medicare. State finances buckling under anticipated Medicaid expansion. Slowing of pharmaceutical and other biomedical research. Withdrawal of many health insurers from the market. Destabilization of employer-employee relationships as firms strategically brace themselves for even bigger changes arriving in 2014.

For small businesses and their employees, the probable effects include diminished profits and wages. Some firms will shut their doors. Others will shed workers. Still others will be unable to create jobs that they otherwise would have generated. Others will find difficulty attracting financing. Uncertainty discourages capital formation and job creation, and no bill has ever foisted as much risk and uncertainty on the U.S. economy as suddenly and overwhelmingly as this one.

Though few are willing to acknowledge it, the unintended consequences of this bill will begin blowing holes in the American economy between now and 2013. Will these events force Congress to go through the agony of repeatedly reopening and repairing this legislation?

And if the results are one-tenth as bad as I suspect, one other thing will occur between now and 2013. Principled health-care reform advocates who settled for a terrible bill will find their credibility destroyed for years and years into the future.