

# The Corner

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## GAO Report: Obamacare Adds \$6.2 Trillion to Long-Term Deficit

By [Andrew Stiles](#)

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Obamacare will increase the long-term federal deficit by \$6.2 trillion, according to a [Government Accountability Office \(GAO\) report](#) released today.

Senator Jeff Sessions (R., Ala.), who requested the report, revealed the findings this morning at a Senate Budget Committee hearing. The report, he said, “confirms everything critics and Republicans were saying about the faults of this bill,” and “dramatically proves that the promises made assuring the nation that the largest new entitlement program in history would not add one dime to the deficit were false.”

President Obama and other Democrats attempted to win support for the health-care bill by touting it as a fiscally responsible enterprise. “I will not sign a plan that adds one dime to our deficits — either now or in the future,” Obama [told](#) a joint-session of Congress in September 2009. “I will not sign it if it adds one dime to the deficit, now or in the future, period.”

The new report exposes the “lack of honesty” surrounding such claims, Sessions argued. “The big-government crowd in Washington manipulated the numbers in order to get the financial score they wanted, in order to get their bill passed and to increase power and influence,” he said. “The goal was not truth or financial responsibility, but to pass the bill. This is how a country goes broke.”

The GAO report is essentially the first attempt to isolate and calculate Obamacare’s impact on the deficit beyond the traditional ten-year budget window. GAO ran two simulations “based on broad sets of assumptions about health care spending and other components of federal spending and revenue” over a 75-year period. First, a baseline-extended simulation, which “illustrates the long-term outlook assuming federal laws (applicable at the time the simulation was run) remain unchanged,” and second, an alternative simulation, which “illustrates the long-term fiscal outlook assuming historical trends and policy preferences continue.”

The baseline scenario is far more optimistic, largely because it does not take into account the concerns — expressed by the Congressional Budget Office (CBO), the Centers for Medicare & Medicaid Services (CMS) Trustees, and Medicare’s chief actuary — about “whether certain cost-containment mechanisms included in PPACA can be sustained over the long term.”

However, the GAO report concluded that even under these “more optimistic assumptions,” Obamacare’s cost-control provisions “were not sufficient to prevent an unsustainable increase in debt held by the public.”

The alternative scenario, which incorporates the more realistic “alternative projections” suggested by CBO, the CMS trustees, and the chief Medicare actuary, is even more dire. Under this scenario, the “primary deficit” increases by 0.7 percent of GDP over the 75-year period. The GAO does not put a dollar value on that figure, but Senate Budget Committee staff has calculated, and GAO has confirmed, that it would amount to a \$6.2 trillion increase in the federal deficit.

**EDITOR'S NOTE:** *This post has been updated since its initial publication.*

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