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The ObamaCare Bailouts

by **John Hayward** ([more by this author](#))

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Back when ObamaCare was being shoved down America's throat, Nancy Pelosi assured us we needed to pass it to "find out what's in it." The House Energy and Commerce Committee, chaired by Republican Fred Upton of Michigan, just found something else that was hidden in it: "a \$5 billion bailout fund for state governments, Fortune 500 companies, and Hollywood unions that is rapidly going bankrupt after doling out half a billion dollars much more quickly than anticipated."

That five billion in funding, by the way, is roughly the same as the amount allocated to the high-risk pool for people with pre-existing conditions – ostensibly the major reason we detonated ObamaCare and destroyed the American health insurance system. It's going to end up costing taxpayers a lot more than \$5 billion, because "so far, fewer than 5 percent of the organizations 'approved' to participate in the program have received funds."

The bailout fund is formally known as the Early Retiree Reinsurance Program. It's a federal subsidy to "employers and unions that provide health coverage to early retirees." According to the committee's [analysis](#), "The ERRP reimburses the employer 80 percent of the actual cost of an early retiree's health expenses between \$15,000 and \$90,000," based on "qualified claims beginning on or after June 1, 2010."

The Energy and Commerce report notes that “Like many provisions and accounting gimmicks in the health care law, it has largely escaped public scrutiny because of the sheer volume of programs and spending crammed into the law without scrutiny or Congressional oversight.” In other words, nobody has really paid much attention to where the money went.

Naturally, a lot of that crazy unsupervised money ended up in the hands of public unions. Over *one third* of the \$535 million spent in 2010 went to five public union benefit and pension plans, in California, New Jersey, Georgia, Kentucky, and Texas. 56% of all funds distributed in 2010 went to government organizations. Over five thousand entities have been approved for EERP bailouts, and 47% of them are government organizations.

In the private sector, the committee tactfully notes that EERP money is going to “companies that do not appear to need the financial assistance of the federal government,” including “Fortune 500 companies with billions of dollars in revenue and Hollywood unions.”

The Energy and Commerce Committee concludes, “It is inappropriate that a bill sold to the American people as health care legislation would contain a sweetheart deal for unions and Hollywood, and it is grossly inefficient that in troubling economic times the American taxpayer would be asked to subsidize the health care costs of massive corporations.” Along with the billion-dollar [windfall for AARP](#), this is another example of how the primary function of socialist programs is making well-connected people rich... at the expense of average Americans, who are told they have a moral duty to fork over their tax money and be satisfied with a reduced standard of living.

John Hayward is a staff writer for HUMAN EVENTS, and author of the recently published [Doctor Zero: Year One](#). Follow him on Twitter: [Doc_0](#). Contact him by email at

jhayward@eaglepub.com.

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