This Is Why Big Pharma and Insurance Stocks Are Going Up

The Senate’s Republican Majority Leader, Mitch McConnell, has pulled back the promised Obamacare repeal vote until after the Independence Day recess—but has promised a new bill to send to the Congressional Budget Office by Friday.

This may or may not be a sign that McConnell is moving closer to a bill that can garner at least 50 votes in the Senate, but it is certainly a sign that McConnell’s much-vaunted reputation as a master tactician of the Senate Rules is in tatters.

The problem with the whole congressional Obamacare “repeal” effort is that it is based on the arcane Senate budget “reconciliation” rule, which gets around the Democrats’ filibuster threats by allowing a simple majority to pass the bill, rather than the 60 votes it would take to break a filibuster.

However, “reconciliation,” being strictly a budget measure cannot reach many of Obamacare’s biggest problems and cost drivers, such as the regulations that are driving insurance companies out of the Obamacare market in state after state.

All “reconciliation” can do is address budget issues, such as reducing the growth off Medicaid expansion.

Naturally, if you put less money into the Medicaid system that Obamacare bloated beyond all recognition, this causes people to “lose” insurance coverage.

But are they really losing access to health care?

The answer is no.

Many of the people the Congressional Budget Office (CBO) says will “lose” health insurance are people who will simply choose not to buy it if they are not forced to do so by the individual mandate.

So, it is not necessarily the reality of the bill that is the problem for the squishy left of the Senate Republican caucus—it is the way it looks.

So, where is the Senate bill headed?

Not to a repeal of Obamacare, that’s for sure.

We think Laura Ingraham pretty well nailed it in a recent appearance on FOX News Channel:

> LAURA INGRAHAM: Republicans promised independence from the Obamacare mandate. They promised repeal of Obamacare and the dirty truth is this is not repeal of Obamacare. There is a lot of the mandate still in there. A lot of the regulations haven’t been lifted. And we can all sit here and say they can do their own ‘Cornhusker kickback.’ And that’s what the Republican Party is. They’re all going to do the horsetrading to make this. There is a reason Big Pharma stocks, insurance stocks and hospital stocks have gone up over the last two weeks. Because very little is changing when it comes to bringing down the cost of health care in this legislation. I think it’s a pig in a poke, and I think it’s a loser for Republicans… {eoa}