

Is this country
better off or worse
off because of
Obamacare?



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Obamacare At Age Ten. Was It A Mistake?

One of the strange features of the national health care conversation is how it has evolved.

What is often referred to as Obamacare began as an attempt to insure the uninsured. In fact, the initial Congressional Budget Office estimates predicted the Affordable Care Act would be largely successful in doing just that.

There are two ways to evaluate Obamacare on its tenth birthday.

We can point to the number of people who are better off and speculate on how many more there would be if only there were more government spending and more regulation.

Or, we could point to the number of people who are worse off and speculate on how many fewer there would be if

only there were less government spending and less regulation.

It's easy to find the first approach. Pick up just about any newspaper or magazine in the mainstream media. The health care media is even worse.

The latest issue of Health Affairs has 25 articles on Obamacare, ten years on. Not a single article is focused on the plight of people who have been harmed.

So, what's the bottom line? Is the country better off or worse off because of Obamacare? The health policy community and the health care reporters are so incredibly biased, it's almost impossible to know.

In the early years, the New York

Times was pretty good at reporting what could go wrong. A woman with a brain tumor skipped her MRI exams because of a very high deductible.

AIDS patients in Florida were faced with thousands of dollars in out-of-pocket costs for specialty drugs. A woman in Manhattan had to go all the way to Connecticut to find a foot specialist in her plan's network. These were heart-wrenching stories. They were investigative journalism at its best.

And then the reporting stopped. Stopped? Yes, stopped. Once it

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became clear that Republicans in Congress were intent on reversing course and abolishing the Affordable Care Act, the health care media circled the wagons. From that point on, the victims of Obamacare became completely invisible.

In some ways, the Republicans in Congress have been even worse than the media. Despite voting 70 or so times to abolish all or part of Obamacare in the House of Representatives, neither a Republican House nor a Republican Senate ever held a serious hearing showcasing the victims of the Affordable Care Act. They never gave the public any reason why Obamacare should be repealed – or even changed.

Yet if the news media was interested or if Congress cared to look, the carnage from Obamacare was everywhere to be found.

Many lost the insurance they were promised they could keep. Many lost access to the doctor they were promised they could continue to see. Premiums have doubled. Deductibles have tripled. Provider networks are so narrow, people with serious health problems are routinely denied access to the best doctors and the best hospitals.

What we were promised was access to the type of insurance people used to get at work. What we got instead was something that increasingly looks like Medicaid with a ridiculously high deductible.

And let's not forget the taxpayers, who are forking over an average of almost \$1,000 per

household per year.

But let's revert for a moment to the people who we are told came out ahead. How much better off are they? A lot less than you might suppose.

In the most thorough and rigorous study that has ever been done on the matter, researchers in Oregon discovered that for the newly insured under Medicaid, there was no improvement in physical health. And their reliance on emergency room doctors actually increased!

Even more astounding, the researchers found that the Medicaid enrollees valued their newly acquired coverage for as little as 20 cents and no more than 40 cents on the dollar. And about one-third of people who qualified for Medicaid enrollment actually turned it down. When all they had to do was sign up, they didn't bother to do so.

That means if we gave these folks the cash

equivalent of the cost of Medicaid, they would never buy Medicaid with the money.

Suppose the same thing is true of people getting newly subsidized coverage in the (Obamacare) exchanges. Those findings imply that we could take all the annual Obamacare

money, give every newly insured individual \$2,000 a year in cash instead of insurance, and add roughly \$60 billion to the nation's medical safety net – to provide better and quicker care to the uninsured.

And everybody would be better off!

What about people with pre-existing conditions?

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Despite the drumbeat of fearmongering on this issue from Democrats in Congress, many people who immigrate from the group to the individual market (say because they become too sick to work) are actually worse off because of Obamacare.

Before 2010, a person with serious health problems in Texas generally had access to the state's risk pool. The insurance was administered by Blue Cross and it gave the insured access to almost every hospital and every doctor.

Yet there is not a single health plan in Dallas/Fort Worth today that will give an enrollee access to UT Southwestern Medical School – perhaps the best medical research facility in the world.

There is no individual plan sold in the entire state of Texas that will get a cancer patient into MD Anderson Cancer Center in Houston.

This same pattern is repeated all over the country. In fact, the insurer that has been most

successful in the Obamacare exchanges is Centene – a Medicaid contractor that generally covers only those providers who will accept Medicaid rates.

Meanwhile, middle-income families who are not getting a subsidy are literally getting priced out of the individual market. Robert Laszewski gives the example of a family of four in northern Virginia which is among the 40% of families who do not qualify for a subsidy:

- The family faces a premium of \$19,484 plus a \$6,500 deductible.
- In essence, the family will have to spend \$25,984 before they can collect any meaningful benefits.

No wonder almost 29 million people have decided to avoid health insurance altogether.

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On Wikipedia you will discover an enormously lengthy essay on the topic. But it's all about aspirations. Not one word about all the evil things that happened to people who lived in socialist countries in the last century or who are living under socialism today. Most people like socialism because they have no idea what it is.



Check out Goodman's new paper entitled, "*What is Socialism?*"



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