PERSONALLY SPEAKING

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OBAMACARE'S AAA RATING:
ACCESSIBLE, ACCEPTABLE, AFFORDABLE

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In a 5-4 decision, the Supreme Court has ruled that the Affordable Care Act is constitutional with apparently the exception of the mandated expansion of state Medicaid rolls under penalty of loss of federal Medicaid funding.

Anyone who labored through last March's oral arguments in this case on C-SPAN witnessed the justices continually interrupting one another with other questions or comments, sometimes extraneous, in which the discussion shifted back and forth at times with one party talking about the health insurance market and the counterparty talking about the health care market. And parsing the difference between a fee, a tax, and a penalty.

Nowhere in those arguments was the issue of the supply of health care addressed, the overall cost of care, and who eventually pays for that care, with the exception that anyone who does not have insurance and uses health care is imposing an additional cost on those who do have insurance. Explicit in that argument was the premise that those who are young and healthy today and do not need health care have an obligation to buy insurance so that later on they will have access to care when they need it. This argument falls flat because the young and healthy are forced to buy health insurance not to assure that their healthcare will be paid in the future but to pay the cost of providing care to those who need it today.

One comes away from listening to those arguments wondering if this is the best the Court can do on this crucial issue that shoves America further down the road of greater federal government control of health care.

The supply of health care reduces to three stark realities: the cost of medical school, reimbursement, and the risk of practicing medicine. First, medical school increasingly is an expensive investment for which the return may not be worth it. To illustrate, tuition today at one private medical school in the Midwest that traces its origins to 1818 is $47,440 per year. Assuming living expenses of $1500 per month pushes the annual financial burden to well over $65,000. Add to that the cost of three to five years of specialty training or more. Second, health insurers including Medicare and Medicare reduce their costs and the premiums they charge the persons they insure by routinely gutting reimbursement payments to physicians and hospitals. One example among thousands makes this point: a physician in the South this June was paid $19.27 by a private insurer on a $445 bill submitted for a woman's health care services. Third, years ago one primary-care physician in private practice said in exasperation:

"there's a lawsuit waiting behind every examining room door." Obamacare does absolutely nothing about these realities.

Let's take a closer look at the AAA promises made by Obamacare: accessibility, acceptability, and affordability.

Accessible. **Today hospitals are not free to deny care to anyone who presents in the emergency room, but physicians are turning away patients whenever a Medicare, Medicaid, or private insurance card is presented because experience has demonstrated that too often reimbursement doesn't cover the cost of care, even when they take no compensation for providing that care. Thus, a two-tiered system is evolving in health care. The first-tier is for those who are able and willing to pay. The second, in which the quality of care may be compromised, is for those whose insurance company does not pay.**

Acceptable. **Producers typically address rising costs and the squeeze on their bottom line in one of two ways: by improving productivity and by substituting cheaper resources for more expensive ones. Improving productivity is especially challenging in health care because unlike manufacturing where the product is the same and the process is repetitive each patient is different and presents unique problems of care. Outsourcing is one method for reducing the cost of resources. Hospitals and clinics pursue the outsourcing logic by replacing physicians with nurse practitioners. Intending no disrespect to nurse practitioners, even when fully trained are they capable of performing quadruple bypass surgery, or removing a bullet from the cranial cavity, or reconstructing a woman's breast following cancer surgery, or intubating a premature newborn who needs respirator care, or removing a ruptured appendix or herniated disc?**

Affordable. **With the cost of educating and training physicians on the rise, and reimbursement problems telling medical students that it will take years to pay back the cost of their education and training, the supply of such critical subspecialties as neurosurgery, neonatology, and cardio-vascular surgery will contract reducing access to quality care. Hospitals that want to continue offering those kinds of services will have to pay more. Others may decide to drop those services entirely.**

Once rising health care costs and insurance premiums collide with falling reimbursement rates, higher taxes, more public debt, and rationing become the only options. With the Court's decision, there is no apparent limit on the federal government taxing power. It follows that many public officials in Washington will push for higher taxes, mainly income taxes, to feed the health care system. If resistance to higher taxes cannot be overcome, the government may find it easier to simply add to the current budget deficit and the public debt. Future generations will pay for the cost of health care that the current generation is unwilling to pay for because, after all, it's an entitlement. Under the rationing option decisions regarding who gets what will be made in Washington by bureaucrats who do not have to tell patients that their access to care has been denied. Conceivably, the obese may be forced into a strict dietary and exercise program or be taxed, or the elderly may be compelled to take certain medications or face the same consequences.

Writing more than 60 years ago an apolitical Bernard Dempsey offered the following.

> **Just as democracy is in a precarious state when those who vote the taxes and those who pay the taxes are not the same people, so too, when economic decisions are made by persons who do not bear the economic consequences, good or evil, of their decisions, inevitably, those who do bear the consequences of the decisions will exhaust every resource to influence them. When this occurs, as it has in all industrial countries, the state has lost its impartiality and authority.**

Is there no adult left in Washington who remembers the well-intentioned AAA promises made in the 1950s and known as urban renewal and high-rise public housing?

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