



## The Road to IPAB

By **Devon Herrick**

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As focus turns towards the oral arguments in the Supreme Court on the constitutionality of certain provisions in the 2010 health care law, another provision in the law, the Independent Payment Advisory Board (IPAB), has flown largely under the radar.

“I believe this commission is the largest yielding of sovereignty from the Congress since the creation of the Federal Reserve,” said Peter Orszag. Mr. Orszag, former Director of the Office of Management and Budget, made this comment in reference to IPAB, which was created under the 2010 law.

If you haven't heard of IPAB, you aren't alone. Nearly 70 percent of those surveyed at the Conservative Political Action Conference last month in Washington hadn't heard of it either.

IPAB is a 15 member board of unelected bureaucrats with the mandate to control Medicare spending through legislative proposals if spending grows faster than a set rate. However, the recommendations of the board aren't merely proposals— they can automatically become law.

On the subject, Mr. Orszag said: “the proposals take effect automatically, unless Congress not only specifically votes them down but the President signs that bill. So the default is now switched in a very important way.”

So, how will the board actually control Medicare costs?

While the law expressly prohibits the board from rationing care, it allows changes to provider fees that will have the same effect. Cost control will likely take the form of cutting payments to doctors and hospitals, which will in turn limit the supply of doctors willing to treat Medicare enrollees. The American Medical Association said these cuts would harm seniors' access to care.

Unfortunately for Medicare patients, doctors are already moving away from accepting Medicare due to low payment rates. As 78 million Baby Boomers begin to enroll in Medicare, even more pressure will be placed on the board to make cuts.

The need to reform Medicare to make the program sustainable is very important. But, instead of letting voters decide the best path forward, the law has taken power away from the people and their representatives, and placed in the hands of unelected, bureaucrats.

The role of Congress has been upended, and now rather than approve legislation, Congress will have to disapprove of the unilateral actions of a new bureaucracy.

Such an enormous delegation of power sets the precedent for a slow, but steady, erosion in the quality of care Medicare enrollees can expect.

Fortunately, individuals have come from across the ideological spectrum to shed light on IPAB and the harms it may cause.

So, as oral arguments against the individual mandate and Medicaid expansion play out in the Supreme Court next week, we must not lose sight of the bigger picture – the individuals' rights to choose and manage their health care with their physician, not with the government. A government of the people should be accountable to the people.