



What Seniors Have to Fear From ObamaCare

By John C. Goodman
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While charges and counter-charges about Medicare are flying back and forth in Washington, hardly anyone seems to have noticed that Medicare's financial problems have already been solved. They were solved by the health reform bill enacted last year, what some people call ObamaCare.

So why isn't this front page news? Why aren't people dancing in the street? Why isn't the Obama administration boasting about this accomplishment far and wide? Probably because Medicare's financial problems are slated to be solved by the unconscionable rationing of health care for the elderly and the disabled.

The most [recent Medicare Trustees report](#) conveys the same message as the [last one](#): On the day that Barack Obama signed the health reform bill, Medicare's long-term unfunded liability fell by \$53 trillion. That sum is about three times the size of the entire US economy. And, it gets better. Once the baby boomers work their way through the system, Medicare spending will grow no faster than the payroll taxes, premiums and general revenue transfers that pay for that spending.

So what does this mean for senior citizens who rely on Medicare? No one knows for sure. But it almost certainly means they will get less health care.

Last August, the Office of the Medicare Actuary predicted that within nine years Medicare will be [paying doctors less](#) than what Medicaid pays. Think about that. In most places around the country Medicaid patients have [extreme difficulty finding doctors](#) who will see them. As a result, they end up seeking care at community health centers and in the emergency rooms of safety net hospitals. In a few more years seniors will be in that same position -- with this difference. From a financial point of view, the seniors will be perceived as less desirable customers than welfare mothers. Also, by that point [one in seven hospitals](#) will have to leave the Medicare system.

As Medicare Chief Actuary Richard Foster (page [282](#)) said in the 2010 Medicare Trustees' report, "Well before that point, Congress would have to intervene to prevent the withdrawal of providers from the Medicare market and the severe problems with beneficiary access to care that would result."

But suppose Congress didn't intervene. Suppose that the law continues on the books exactly as it is written.

Consider people reaching the age of 65 this year. Under ObamaCare, the average amount spent on these enrollees over the remainder of their lives will fall by about [\\$36,000 at today's prices](#). That sum of money is equivalent to about three years of benefits. For 55-year-olds, the spending decrease is about \$62,000 — or the equivalent of six years of benefits. For 45-year-olds, the loss is more than \$105,000, or nine years of benefits.

In terms of the sheer dollars involved, the planned reduction in future Medicare payments is the equivalent of raising the eligibility age for Medicare to age 68 for today's 65-year-olds, to age 71 for 55-year-olds and to age 74 for 45-year-olds. But rather than keep the system as is and raise the age of eligibility, the reform law instead tries to achieve equivalent savings by paying less to the providers of care.

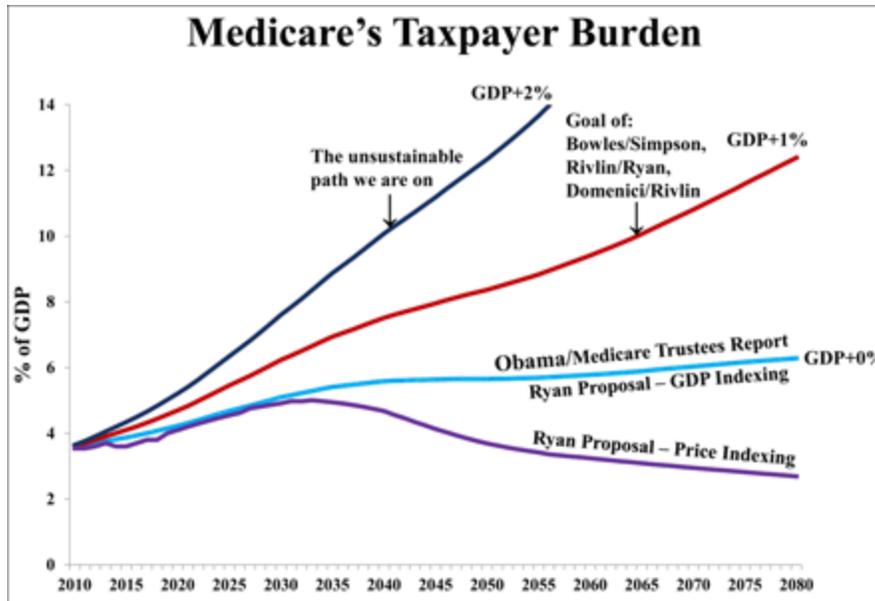
What does this mean in terms of access to health care? It almost certainly means that seniors will have extreme difficulty finding doctors who will see them and hospitals who will admit them. Once admitted, they will certainly enjoy fewer amenities (no private room, no gourmet meal choices, and no cable TV perhaps) as well as a lower quality of care. We will have a two-tiered health care system, with the elderly getting second class care.

All these problems will be exacerbated by what ObamaCare does in the rest of the health care system. In just two years, 32 million people will become newly insured. If economic studies are correct, they will try to double the amount of health care they have been consuming. In addition, almost everyone else (including most above-average income families) will be forced to obtain more generous insurance than they have today. With more coverage for more services these people will also try to greatly expand their consumption of care. Yet the health reform act did not create one new doctor or nurse or other paramedical personnel to meet this increased demand.

We are about to experience a [system wide rationing problem](#), which will be reflected in longer waits at doctors' offices, emergency rooms and clinics and delays in getting almost every kind of care.

In such an environment you will be at a real disadvantage if you are in a health plan that pays doctors less than what private plans are paying. The disadvantaged patients will be the elderly and the disabled on Medicare, poor families on Medicaid, and (if Massachusetts is any guide) people who are newly enrolled in government subsidized health plans.

And here is the final tragic irony: The most vulnerable population are the ones whose access to care is likely to decrease the most under a health care act that was widely touted at the time of its passage as a humanitarian measure.



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