



The HMO in Your Future

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Are you in an HMO? If you are a senior on Medicare the answer is probably "yes." And if you're not in one now you soon will be.

So why don't you know about this? It's all part of health reform (ObamaCare). For the past few months the federal government has been quietly and secretly enrolling millions of elderly and disabled people into a new type of health maintenance organization without their knowledge or consent.

By "quietly" I mean that the government isn't telling you about it and it has no plans to tell you about it. By secretly, I mean the whole procedure is being conducted under the radar screen. I haven't even seen a single news article about it. I know of no place you can write or call or go online to find out what HMO you've been assigned to.

What do I mean by a new type of HMO? I'm not talking about Medicare Advantage plans that currently count one in every four seniors as members. Medicare Advantage plans compete in the marketplace. They don't get enrollees unless seniors voluntarily decide to join. No federal bureaucrat is able to enroll you in one without your knowledge or approval.

The new type of HMO is called an Accountable Care Organization, or ACO. As I explain in my new book, [*Priceless: Curing the Healthcare Crisis*](#), ACOs are HMOs on steroids. Like the traditional HMO, doctors in ACOs will have financial incentives to withhold care (something the American Medical Association used to consider unethical). In most cases, they will get to keep part of any money they don't spend. What makes them different from the traditional HMO is that they will be under intense pressure to practice medicine according to guidelines written by people you will never meet or see.

For example, [Medicare has announced](#) it will start paying more to hospitals that follow a dozen procedures, including administering antibiotics prior to surgery and anticoagulating medication to heart attack patients. It will pay less to hospitals that don't comply. The same thing is about to happen to doctors. Those who comply on up to 194 different metrics — including adopting electronic medical records — [will get higher fees](#). Those who resist will get lower ones.

These are examples of a much larger trend: Washington telling the medical community how to practice medicine. Even though a [recent study](#) finds little relationship between the inputs Medicare wants to pay for and such outputs as whether the patient gets well or lives or dies, and

even though the latest pilot programs show that paying [doctors](#) and [hospitals](#) for performance doesn't improve quality, we are about to usher in the era of big brother medical care.

To be fair, a lot of medical practice these days is haphazard and mediocre. Doctors don't do everything they should do. They do a lot of things they shouldn't do. Medical practice guidelines that serve as a handy checklist can be an aid to good medical care. As I explain in [Priceless](#), however, the danger is that high-quality medicine will take a back seat to "cookbook medicine." That's what happens when the checklist substitutes for the doctor's best judgment. It's what happens when the checklist becomes the master rather than the servant.

That's why the most recent [survey of doctors](#) finds that almost half think the new guidelines will be bad for patients. That's twice as many as the number who think patients will benefit.

One of the real ironies in all of this is some of the outlandish rhetoric that has surrounded every attempt to reform Medicare in a reasonable way. Many Democrats in Congress have attacked Paul Ryan (R-WI) and the House Republicans for trying to "destroy" Medicare by "privatizing" it. Yet every Democrat who voted for the Affordable Care Act (ObamaCare) voted for a much more radical and dangerous form of privatization.

The Republican plan would rely on competition and would give seniors choices — including the choice to remain in traditional Medicare. The Democratic supporters of ObamaCare, by contrast, voted to herd seniors — without competition and without their knowledge or consent — into private sector health plans that have perverse financial incentives to withhold care.

To be fair to the Democrats, I think most of them had no idea what they were voting for when they were pressured to vote for the health reform law. As Nancy Pelosi explained, ["we have to pass the bill so that you can find out what is in it."](#)

We are all beginning to find out.