



Saving Seniors from ObamaCare

By John C. Goodman

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Two things about the Affordable Care Act (ObamaCare) are increasingly clear: (1) seniors have been singled out and forced to bear a disproportionate share of the cost of a new entitlement for young people and (2) the states are administratively just not ready to implement the new program in time for its January 1, 2014, start date.

So here's a simple proposal that will not affect the federal deficit: Delay the scheduled cuts in Medicare spending by five years and pay for that expense by delaying the 2014 start date of ObamaCare by two years.

That would give everyone time to find a better way to reform the health care system. It would also impact this fall's election. Every member of Congress would be asked to vote up or down on a single question: Who do you care more about: senior citizens or ObamaCare?

Over the next 10 years, ObamaCare will reduce Medicare spending by \$716 billion. The Obama administration had hoped to achieve these spending reductions through increased efficiency, based on the results of pilot projects and demonstration programs. The problem: the Congressional Budget Office (CBO) has said in [three consecutive reports](#) that these projects are not working as planned and are unlikely to save money. As a fallback device, the health reform law set up a bureaucracy, the Independent Payment Advisory Board (IPAB), that will have the power to reduce doctor and hospital fees to such an extent that access to care for the elderly and disabled will be severely impaired.

In fact, the Medicare actuaries tell us that squeezing the providers in this way will put one-in-seven hospitals out of business in the next eight years, [as Medicare fees fall below Medicaid's](#). Harvard health economist [Joseph Newhouse](#) predicts senior citizens may be forced to seek care at community health centers and in the emergency rooms of safety net hospitals, just as Medicaid recipients do today.

Consider people reaching age 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 tries to achieve equivalent savings by paying less to providers. This will decrease access to care for seniors dramatically, and ultimately create a two-tiered health care system — with the elderly getting second class care.

A five-year delay in Medicare payment cuts can be paid for by [pushing back](#) the start date of ObamaCare from 2014 to 2016. The reason: Beginning in 2014, state health insurance exchanges are supposed to be up and running for individuals and families who lack access to employer-provided health coverage and do not qualify for Medicaid. But more than one-third of states (16) have done almost nothing to prepare for the exchanges. Another 20 states have made some progress but not enough. Further, health insurance exchanges will require significant investments in information technology that states simply cannot afford.

The delays [contemplated here](#) will give Congress time to replace ObamaCare's command-and-control approach to health care with reforms that will empower patients, free doctors and allow competition in the marketplace.

In the meantime, delaying the start of these two major provisions will protect seniors, save taxpayers money and allow lawmakers time to enact health reforms that actually work.