

# Critical Condition

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## Obamacare's First Adverse-Selection Death Spiral

By [Michael F. Cannon](#)

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This is what happens when government price controls limit insurance companies' ability to set premiums according to risk:

**[Major health insurers to stop offering new child-only policies](#)**

(Post, September 20, 2010; 10:46 PM)

Note that this [adverse-selection death spiral](#) happened before [Obamacare's](#) price controls on child-only coverage even took effect. (Of course, President Obama never calls them price controls. He calls them "consumer protections." Some protection.)

Obamacare supporters are in [full-blown denial](#):

"We're just days away from a new era when insurance companies must stop denying coverage to kids just because they are sick, and now some of the biggest changed their minds," Ethan Rome, executive director of Health Care for America Now, an advocacy group, said in a statement. "[It] is immoral, and to blame their appalling behavior on the new law is patently dishonest."

I'd say that brave new world is already here.

Obamacare supporters can take comfort in this: Since it might take healthy people a while to figure out that they're [better off financially if they drop their coverage and pay the individual-mandate penalty](#), Obamacare's health-insurance exchanges might not collapse before their January 1, 2014, launch date. They could last until January 2.

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