

## [Obama Administration Warns That, Like, Probably Half of Everyone Might Lose Their Health Coverage Without ObamaCare, Maybe](#)

[Peter Suderman](#) | January 19, 2011

Here's Health and Human Service Secretary Kathleen Sebelius's latest defense of the administration's health care overhaul: If it were repealed, according to the headline from [an HHS press release](#) yesterday, "129 million Americans with a pre-existing condition could be denied coverage." That's roughly half of all Americans under 65 who might "be at risk of losing health insurance when they need it most, or be denied coverage altogether," according to the release.

Or maybe it's a little less. OK, perhaps even a lot less. The release quickly qualifies the headline estimate to indicate that it may be that as few as 50 million Americans—just 19 percent of the non-elderly population, rather than half—under 65 have "some type of pre-existing condition," which apparently means everything from cancer to high blood pressure. It's all rather hard to pin down, you see. 50 million. 129 million. It's somewhere in there. With precision estimates like these, you know they've got the goods.

Fine. 50 million is still a big number. Should we seriously worry that almost 20 percent of Americans will lose their health coverage without the Patient Protection and Affordable Care Act?

Not really. As the Cato Institute's Michael Cannon [points out](#), a 2001 [study](#) by none other than HHS noted that only 1 percent of Americans have ever been denied health coverage for any reason. And [according to a just-published study in the health policy journal Health Affairs](#), "the fraction of nonelderly uninsured persons...who would be rated as actuarially uninsurable is generally estimated to be very small, less than 1 percent of the population."

Meanwhile, [as Avik Roy says](#), if HHS was really determined to solve the problem of coverage denials due to pre-existing conditions, a far better first step would be to de-link health coverage from employment by equalizing the tax treatment of insurance bought by employers and individuals:

Once people are buying insurance for themselves, rather than depending upon their employer, their insurance stays with them. If you lose your job or change jobs, your insurance will still be yours, just as your auto insurance and your life insurance stays with you regardless of where you work. And if you have insurance, like most Americans do, the issue about preexisting conditions is irrelevant: If you are sick, your insurance provides the coverage it is meant to provide.

Meanwhile, we already have a real-world test of how many individuals are really looking to get coverage from an insurer that will give them a comprehensive market-rate policy

despite pre-existing conditions. It's not a perfect measure, but the PPACA created a network of high risk pools designed to serve those individuals between now and 2014, when health insurers selling individual policies through the individual market will be required to take all comers. Congressional Budget Office projections indicated that funding would run out early, and that about 375,000 people would enroll. It's turned out to be underfunded; New Hampshire, for example, has already burned through the cash that was supposed to last until 2014. But the enrollment has turned out to be, well, a little less than expected. [Instead of 375,000 enrollees, the program only has about 8,000—approximately 2 percent of projected enrollment.](#)

In response, HHS, in conjunction with state governments, is beefing up its marketing campaign in hopes of finding more enrollees. That's a little odd, even for Washington, which normally waits for a constituency to build numbers and influence before giving them a handout. But it suggests how few people are actually in the market for that type of coverage.

A relatively small percentage of individuals do have medical conditions that make them very expensive to treat, and thus very difficult to insure. But the coverage of half of all non-elderly Americans—or even 20 percent—won't suddenly go away if the PPACA is repealed.