

New RomneyCare study gives glimpse of ObamaCare costs

By Ferdous Al-Faruque

05/05/14

While lawmakers continue to squabble over the cost and benefits of ObamaCare, a new study on RomneyCare may give the American public a glimpse of what to expect in coming years.

A new study in the Annals of Internal Medicine compares deaths in Massachusetts before and after the healthcare law championed by former Gov. Mitt Romney was enacted in 2006.

The findings show the law significantly reduced mortality in different age groups. Overall, it said a 4.5 percent reduction in deaths could be attributed to improved access to healthcare.

But the costs of saving those people adds heavy costs to the law. To save one person a year, the study concluded about 830 people would have to sign up for health insurance and pay into the exchanges.

"Health reform in Massachusetts was associated with significant reductions in all-cause mortality and deaths from causes amenable to health care," note the study authors, including lead author Benjamin Sommers, a Harvard professor and an advisor for the Department of Health and Human Services.

The study has sparked an online debate about whether the law is really worth it.

"If we assume the per-person cost of covering those 830 adults is roughly the per-person premium for employer-sponsored coverage in Massachusetts in 2010 (about \$5,000), then a back-of-the-envelope calculation suggests that RomneyCare spent \$4 million or more per life saved," Michael Cannon of the Cato Institute wrote on Forbes.

"As an economist might put it, this means there are likely to be policies out there that could save a lot more lives than RomneyCare does per dollar spent."

Harold Pollack, a professor at the University of Chicago, agrees it's not cheap but says the law was worth it, especially when you take into consideration other potential savings to the healthcare system.

"These calculations don't consider other key benefits associated with insurance," he writes on <u>Healthinsurance.org</u>. "Fewer people with diabetes will suffer nonfatal but awful complications such as blindness or limb amputation. Fewer sick people will incur crippling medical debts."