



## **Who's afraid of health reform?**

By: Chris Bassil - November 12, 2013

In March of 2010, President Barack Obama signed the Affordable Care Act into law. A month later, he stood in front of citizens and journalists in the East Room of the White House and addressed the effects that the ACA was going to have on the health insurance market. "Starting in September, some of the worst abuses will be banned forever," the President announced. "No more discriminating against children with pre-existing conditions. No more retroactively dropping somebody's policy when they get sick ... those days are over."

The President wasn't alone in celebrating this development. It's probably pretty unobjectionable to say that his words generally reflected the left's conversation on the ACA in the months that led up to and followed its passage. Paul Krugman, a decorated economist, editorialist for the New York Times and vocal supporter of the ACA over the status quo ante, had also spoken out against health insurers' rescission practices just a month earlier. "Saying that people do terrible things isn't demonization if they do, in fact, do terrible things," he explained pithily in a blog post. "And health insurers do, because they have huge financial incentives to act in an inhumane way."

President Obama and Paul Krugman's concerns over rescissions, which are of course shared by many Americans, reflect an anxiety over the possibility that at the end of the day decisions between life and death will be made not by the patients who face the consequences, but rather by a big and impersonal health insurance bureaucracy. What is interesting about this concern is how similar it is to the right's concerns over alleged ACA "death panels," and how little pundits on either side seem to recognize this.

On at least six separate occasions, Krugman mocked conservatives for their exaggerated claims that the ACA's provisions for end-of-life hospice counseling or Independent Payment Advisory Board convened "death panels" that would wield power to decide on an individual basis which citizens would be granted life-saving medical treatment and which would be denied. Despite his uncivil tone, he was right to point out that, no matter what your political orientation, these were gross misinterpretations of hospice counseling or the IPAB's role. On a couple of occasions, in fact, Krugman has expressed his support for the IPAB and other top-down approaches to cutting spending in government care programs. "Health care costs will have to be controlled, which will surely require having Medicare and Medicaid decide what they're willing to pay for," he explained in a blog post in 2010. "Not really death panels, of course, but consideration of medical effectiveness and, at some point, how much we're willing to spend for

extreme care.” Although he is right to condemn the “death panel” myth, Krugman’s support for a bureaucratic approach to controlling health spending ignores the legitimate concerns conservatives have advanced concerning the IPAB and the powers granted to it under the ACA.

In June of 2012, for instance, Michael Cannon of the Cato Institute expressed serious reservations over the IPAB’s power, scope and independence. “When the unelected government officials on this board submit a legislative proposal to Congress, it automatically becomes law,” Cannon wrote in a policy analysis of the IPAB. “Blocking an IPAB ‘proposal’ requires at a minimum that the House and the Senate and the President agree on a substitute.” The 24-page report details IPAB’s powers, its lack of checks and balances and the difficulty Congress may have in altering or deconstructing the Board should it do so in the future. All of this leads Cannon to conclude, in a tone that is heavily dissimilar to Krugman’s cool approval, that the IPAB is a “milestone on the road to serfdom.” At the end of the day, Cannon’s concern that too much decision-making authority is being bestowed in a bloated bureaucracy shares some of the flavor of rescission hysteria.

In his 1992 book “Patient Power: Solving America’s Health Care Crisis,” libertarian health policy analyst John Goodman frames an approach to solving the health care crisis around increasing the patient’s opportunities to choose between spending money on health care or saving it. “The choices must be made either by the patients themselves or by a health care bureaucracy that is ultimately answerable to Washington,” Goodman writes. (It is irrelevant here that Goodman’s perspective is a libertarian one; the point is that the current system does not do enough to empower patients to make their own decisions, and that this problem is in part what spawns the mirror-image fears of rescissions on the left and death panels on the right.) “When Medicare patients interact with the health care system, what procedures are performed—and whether a procedure is performed—is determined more by reimbursement rules than by patient preferences,” Goodman explains. As if to lend credence to the idea that conservatives and liberals fear the same thing, he adds that this is a practice that is prevalent not only in government but in the insurance industry as well. “Although this phenomenon is more evident in government health care programs ... private insurers and large companies are increasingly copying the methods of government.”

None of this is to say that rescissions and the IPAB are analogous in any other meaningful way, or that some ideas in the health care debate do not hold more water than others. But it is worth considering that, beneath the vitriol and appeals to emotion, many of those involved in these conversations are actually seeking to avoid the same things.