

A snapshot of U.S. "Patient's Bill of Rights": experts

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WASHINGTON, Sept. 23 (Xinhua) -- The Patient's Bill of Rights - a centerpiece of U.S. President Barack Obama's health care overhaul -- kicked in on Thursday, six months after a contentious battle in Congress to pass major reforms to the nation's healthcare system.

Among other things, the law will prohibit insurers from denying coverage to sick children and bar those companies from dropping them when they become sick. The bill will also permit individuals to retain coverage under their parents' plans until they reach age 26.

But experts disagree over the new law.

Critics said the reforms run contrary to free market principles and could cause harmful effects to the nation's healthcare system. Proponents said the changes will fix a number of inadequacies that have been ongoing for years and will increase the number of insured Americans.

CRITICS

"The administration calls it a 'bill of rights' because they want to put a positive spin on it," said Michael F. Cannon, director of health policy studies at the Cato Institute.

"But what they are actually handing out is responsibilities instead of rights. They are mandating that people do things rather than freeing people, as rights usually do," he said, adding that Obama's health care reforms require consumers to purchase coverage for preventive service, among other requirements.

One provision, which bans insurers from charging more for coverage of sick children, amounts to a price control. Such measures distort the market and could cause some insurance companies to go out of business, he said.

The law could also cause severe financial troubles for insurers.

"The insurance companies know that if they can't charge (more) to sick kids, they are going to go out of business," he said.

"When they say you cannot deny coverage to people with pre-existing conditions, what you are saying is that you have to issue them a policy, and you have to charge them the same premium as everyone else. That's a price control," he said.

SUPPORTERS

Other experts, however, support the new law.

"These are such basic protections that it's almost shocking that they don't already exist," said David B. Kendall, senior fellow for health and fiscal policy at Third Way.

He added that roughly half of all U.S. states already passed similar provisions, such as allowing children to remain on parents' policies until age 26.

"So what we are doing at the federal level is cleaning up some of the worst practices that exist in the marketplace," he said.

Dropping sick children from coverage is a bad practice that individual companies cannot get rid of on their own but can eliminate collectively, he said.

The bill will cause firms to price in the cost of getting riskier children into their pools of coverage. If that causes any shifts, it will only happen once, he said.

Those extra costs, if there are any, will later be built into the system, causing no harm, he said.

"There are some states that have done far more aggressive regulation of the pricing of insurance," he said. "There's been some disruption but it always returns to some kind of equilibrium," he said.

THE COST OF NOT REFORMING HEALTH CARE

Richard O'Sullivan, vice chair of the NABE Health Economics Roundtable, said that one often overlooked factor is cost of not enacting reforms.

When people are uninsured, it creates a number of significant financial, social and long-term economic costs, he said.

Less healthcare means less overall economic productivity. When people are sick and cannot earn a paycheck, it reduces the tax base and creates many additional negative outcomes, he said.

For example, if an employee of a struggling company remains with the firm solely for insurance benefits - many Americans are covered under their employer - will he or she stay there at the risk of going down with the ship while forgoing other opportunities?

To take another example, an uninsured child with asthma could cost a hospital emergency room hundreds of dollars if he shows up with an asthma attack, as U.S. hospitals are required by law to treat everyone, regardless of their ability to pay, he said.

That cost to the taxpayer, however, could have been saved if the child had an inhaler - a device used to prevent asthma attacks - paid for by an insurer, the cost of which is about 30 U.S. dollars per month, he said.

"What people overlook is that we have Good Samaritan laws in this country. The absolute withholding of healthcare is not legal," he said.

