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## How ObamaCare Punishes the Sick

**Patients with costly conditions like MS are seeing coverage cut.**

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Republicans are nervous about repealing ObamaCare's supposed ban on discrimination against patients with pre-existing conditions. But a new study by Harvard and the University of Texas-Austin finds those rules penalize high-quality coverage for the sick, reward insurers who slash coverage for the sick, and leave patients unable to obtain adequate insurance.

The researchers estimate a patient with multiple sclerosis, for example, might file \$61,000 in claims. ObamaCare's rules let MS patients buy coverage for far less, forcing insurers to take a loss on every MS patient. That creates "an incentive to avoid enrolling people who are in worse health" by making policies "unattractive to people with expensive health conditions," the Kaiser Family Foundation explains.

To mitigate that perverse incentive, ObamaCare lobs all manner of taxpayer subsidies at insurers. Yet the researchers find insurers still receive just \$47,000 in revenue per MS patient—a \$14,000 loss per patient.

Predictably, that triggers a race to the bottom. Each year, whichever insurer offers the best MS coverage attracts the most MS patients and racks up the most losses. Insurers that offer high-quality coverage either leave the market, as many have, or slash their coverage. Let's call those losses what they are: penalties for offering high-quality coverage.

The result is lower-quality coverage—for MS, rheumatoid arthritis, infertility and other expensive conditions. The researchers find these patients face higher cost-sharing (even for inexpensive drugs), more prior-authorization requirements, more mandatory substitutions, and often no coverage for the drugs they need, so that consumers "cannot be adequately insured."

The study also corroborates reports that these rules are subjecting patients to higher deductibles and cost-sharing across the board, narrow networks that exclude leading cancer centers, inaccurate provider directories, and opaque cost-sharing. A coalition of 150 patient groups complains this government-fostered race to the bottom "completely undermines the goal of the ACA."

It doesn't have to be like this. Employer plans offer drug coverage more comprehensive and sustainable than ObamaCare. The pre-2014 individual market made comprehensive coverage even more secure: High-cost patients were less likely to lose coverage than similar enrollees in employer plans. The individual market created innovative products like "pre-existing conditions

insurance” that—for one-fifth the cost of health insurance—gave the uninsured the right to enroll in coverage at healthy-person premiums if they developed expensive conditions.

If anything, Republicans should fear *not* repealing ObamaCare’s pre-existing-conditions rules. The Congressional Budget Office predicts a partial repeal would wipe out the individual market and cause nine million to lose coverage unnecessarily. And contrary to conventional wisdom, the consequences of those rules are wildly unpopular. In a new Cato Institute/YouGov poll, 63% of respondents initially supported ObamaCare’s pre-existing-condition rules. That dropped to 31%—with 60% opposition—when they were told of the impact on quality.

Republicans can’t keep their promise to repeal ObamaCare and improve access for the sick without repealing the ACA’s penalties on high-quality coverage.

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