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Charlotte business leaders hear critique of Affordable Care Act

By: Karen Garloch January 29, 2013

While admitting he is “not a fan” of the Obama administration’s health overhaul, Michael Tanner, a senior fellow with the libertarian Cato Institute, assured a Charlotte audience Tuesday that the law will not ration health care.

“With all due respect to the former governor of Alaska, there is no death panel,” said Tanner, who spoke to more than 400 business leaders and health-care providers at a forum sponsored by Republican U.S. Rep. Robert Pittenger.

Tanner was referring to Sarah Palin, the former Republican vice presidential candidate, who once called an advisory panel created by the Affordable Care Act a “death panel.”

“There is no direct rationing of care,” Tanner said.

But he added that the 15-member Independent Payment Advisory Board will recommend ways to prevent the growth of Medicare, the federal health program for the elderly and disabled, from exceeding certain targets.

The law prohibits that board from making recommendations to ration care, reduce benefits or change eligibility requirements.

“What’s left?” Tanner asked. “Oh yeah, to cut back what we can pay doctors and hospitals...Some physicians are going to drop out of the program.”

In an hour-long talk that often brought laughter or murmurs of agreement from the audience, Tanner described complex details of the 2,400 page law that requires most Americans to buy health insurance or pay fines, mandates businesses with 50 or more employees to provide health insurance for workers or pay fines, and offers federal tax credits to make insurance more affordable through state or federal health exchanges.

He said it will create “at least 99 new agencies, commissions, positions and czars” and will levy multiple new taxes, including the tax on tanning beds that brought opposition from “Snooki” Polizzi, the celebrity cast member from the MTV reality show “Jersey Shore.”

Pittenger had pushed for repeal of the Affordable Care Act during his campaign last fall, saying it didn’t do enough to reduce health care costs, increase competition, reduce unnecessary procedures and improve patient outcomes.

But in his opening remarks Tuesday, he said: “It is the law of the land...And we would do well to know what it’s about...We’re not here to debate today.”

Other sponsors of the forum included Carolinas HealthCare System and Presbyterian Hospital, whose officials share worries about cutbacks in Medicare reimbursement even though they stand to benefit from fewer unpaid bills when millions more Americans are covered by health insurance.

Doug Dickerson, state director of the AARP North Carolina, delivered a counterpoint to Tanner’s talk, emphasizing improvements in benefits mandated by the new law – such as prohibiting insurance companies from refusing to cover children with pre-existing medical conditions. That prohibition will expand to adults in 2014.

“As long as you pay your premiums, they cannot drop you if you get sick,” Dickerson said. “This is giving you peace of mind that your insurance benefits won’t run out when you need them most.”

While acknowledging the popularity of the provision on pre-existing conditions, Tanner said it forces companies to “sell insurance to people who are already sick.” He compared that to calling an insurance company for coverage after you’ve run your car into a tree.

In addition, he said, the law sets limits on how much companies can charge for people who are older and sicker. That will lead to much higher premiums for others. “If you’re young and healthy, you’re in trouble,” he said.

After the program, Kenny Colbert, president of The Employers Association, a human resources consulting firm, said he was concerned about potentially skyrocketing premiums.

“The word ‘affordable’ is a misnomer...It is going to open up the market for individuals who don’t have insurance, but someone has to pay for that.”

Given how complicated the Affordable Care Act is, Malyn Pratt, a nurse in the audience, asked Tanner if he could support a simpler, single-payer health system that would cover everyone.

“No health care system can provide unlimited care to everyone,” he said. “It’s all a question of how you ration the care.” Some countries limit care by restricting the number of CT scans available, he said. Others limit care by setting high prices for each scan.

Pratt praised Pittenger for arranging the forum with such “articulate” speakers. Of Tanner, she said: “He knows his stuff.”