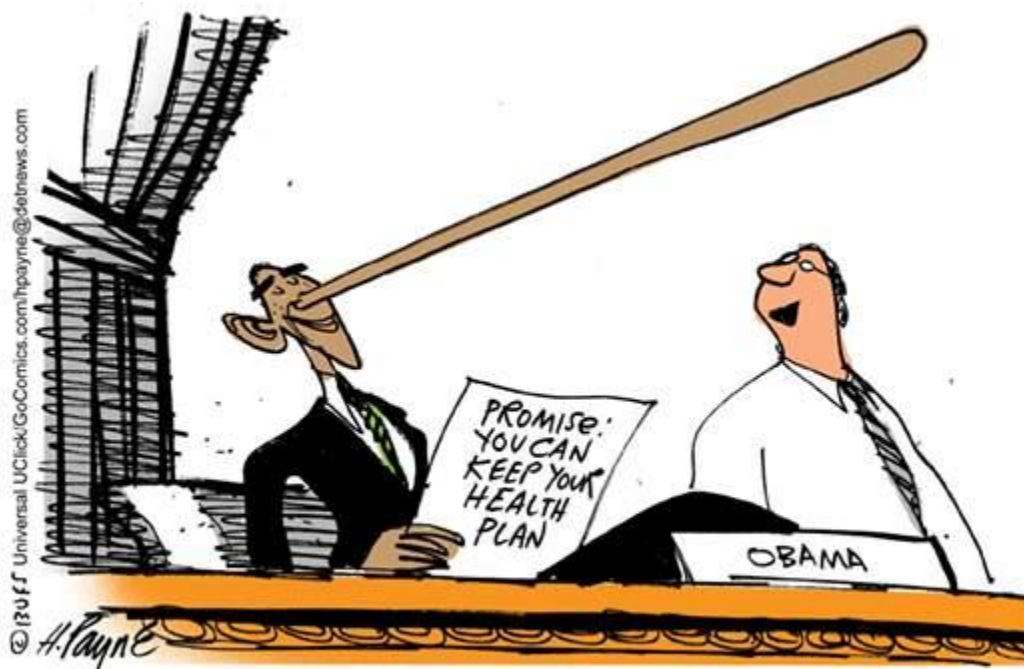


The Detroit News

Another broken Obamacare promise

A new Medicaid study undermines one of the cost-saving premises of health care law



"THE GOOD NEWS IS OBAMACARE COVERS PLASTIC SURGERY!"

The biggest whopper of 2013 was President Barack Obama's claim, "If you like your health care plan, you can keep it." Many Americans realized that wasn't true when their insurance companies sent out cancellation notices last year. A new Medicaid study adds another broken promise to the list.

A study published last week in the journal *Science* highlights the emergency room visits of Oregon Medicaid recipients. It showed a substantial increase in emergency room use. Those on Medicaid headed to the ER 40 percent more than people without any insurance — and for issues better handled at the doctor's office.

That's exactly what *wasn't* supposed to happen, and it points to a major flaw in Obamacare. Affordable Care Act supporters have said offering more people health coverage would reduce costs by avoiding reliance on much more expensive ER care.

That isn't happening the way policymakers planned. The study did find an increase in primary care visits, too, but the significant bump in ER use is distressing.

A major premise of Obamacare was that covering more Americans — particularly low-income individuals — would lead to lower health care costs. That's why the federal government made expanding Medicaid such a pivotal part of the health care law and why it's offering states a large subsidy if they agree to the expansion.

Michigan has signed up, opening Medicaid to more than 400,000 low-income residents. So have 24 other states. Obamacare expands Medicaid coverage for low-income adults up to 138 percent of the federal poverty level (\$15,856 for an individual or \$26,951 for a family of three in 2013).

Washington has agreed to pay 100 percent of the expansion costs through 2017, with states gradually paying more.

But half the states have passed up the offer. This study isn't likely to encourage these holdouts to change their minds.

Michael Cannon, the Cato Institute's director of health policy studies, points out this is one of many promises the president has broken related to his signature health care law. "This deals a blow to the credibility of supporters of the law," Cannon says.

It's no surprise that Medicaid recipients turn readily to the ER, since there isn't a cost barrier to these visits. There's almost no cost sharing under Medicaid, which means little incentive for patients to seek less expensive primary care. Edmund Haislmaier, senior research fellow with the Heritage Foundation's Center for Health Policy Studies, says many people who go on Medicaid were used to treating the ER as their primary care doctor. Without traditional measures to encourage avoiding the ER — such as higher fees — participants don't have a good reason to change their behavior.

And Haislmaier says the states that have expanded Medicaid will largely be placing unemployed or underemployed able-bodied young adults without children on the government dole. This isn't exactly the population Medicaid was designed to protect. The government could best help these people by directing its attention to jobs — not growing an already bloated program.

In the states that haven't expanded Medicaid, many individuals who would have qualified for the program also won't qualify for a subsidy on the insurance exchanges. So they'll be in the same situation they were prior to Obamacare: without insurance. Cannon doesn't anticipate those who get Medicaid will suddenly be any healthier, given previous studies don't show measurable benefits for a range of common conditions.

Medicaid's lackluster results signal even more problems ahead for Obamacare.

