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Insurance Issues, Principles & Solutions

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[Inmates Running the Asylum](#)

As we continue to march toward the precipice of government health care it is interesting to note the opinions of a practicing physician as well as a senior fellow at the Cato Institute that are being aired in public.

Michael Tanner of the Cato Institute renders his observations as quoted in the [New York Post](#). His observation about the coming physician shortage is disconcerting. We already have a crisis of sorts even without expanded government health insurance but the trappings of Obamacrap will only worsen the situation.

The health reform bill signed into law last year is expected to significantly increase the number of Americans with health insurance or participating in the Medicaid program. Meanwhile, an aging population will increase participation in Medicare. This means a greater demand for physician services.

But at the same, the bill may drive physicians out of practice.

Why does he think some practicing physicians will leave their profession and go out of business?

Existing government programs already reimburse physicians at rates that are often less than the actual cost of treating a patient. Estimates suggest that on average physicians are reimbursed at roughly 78% of costs under Medicare, and just 70% of costs under Medicaid. Physicians must either make up for this shortfall by shifting costs to those patients with insurance — meaning those of us with insurance pay more — or treat patients at a loss.

As a result, more and more physicians are choosing to opt-out of the system altogether. Roughly 13% of physicians will not accept Medicare patients today. Another 17% limit the number of Medicare patients they will see, a figure that rises to 31% among primary care physicians. The story is even worse in Medicaid, where as many as a third of doctors will not participate in the program.

Cost shifting has been around for years, but when there are no more privately insured patients to make up for the losses then what will happen?

Michael Tanner is not alone in his observation.

Dr. Jane Orient shares similar views in her article published at [AAPS](#) online. She says that while physicians complain about low Medicaid reimbursement many also say the solution is higher taxes.

Say what?

Higher taxes will allow for, among other things, higher reimbursement for medical services.

Somehow I don't think that is in the cards.

But this observation about entitlement programs is revealing.

The very same left-leaning doctors had just finished agreeing that many Medicaid patients come to the doctor only because they are lonely or bored. They add that this is all right with them because they get paid even though the visit was unnecessary
Excuse me?

Some doctor visits are not medically necessary but rather, they are used as a sick social gathering place?

But of course she hits at the root of the problem. When something is perceived as free there is very little appreciation which can lead to abuse of the privilege.

She also touches on the much debated mandate portion of Obamacrap that requires everyone to buy health insurance if it is not provided for them.

Say that the court finds that it isn't a tax, for purposes of invoking the taxing powers of Congress, but is instead a way of regulating interstate commerce, the alternate constitutional justification. Wouldn't it be unprecedented for Congress to penalize inaction under the Commerce Clause?

One advocate for ObamaCare wrote to the Wall Street Journal that “countless” types of personal inaction violate the law. Most of these, however, are “if...then” situations, contingent on a previous action. “Failure to put out your campfire” assumes that you lit a fire. “Failure to wear clothes when out in public” assumes that you decided to go out; you are not required to wear clothes in the bath. “Failure to file a tax return” assumes that you have taxable income—and that one took a Constitutional amendment. The only thing close to “If you are alive, then you must buy a certain specified type of health insurance” is “If you are a male who has reached the age of 18, then you must register for the draft.” Is the insurance mandate a form of conscription? It forces us all to pay for care that we might not want to buy, or be willing to provide, without third-party payment. You have to admit she makes a compelling argument.

With medical care, we have seemingly accepted the concept of collective responsibility—and entitlement. Under this concept, any person who is sick or injured is entitled to be taken care of. If others do not provide the care voluntarily—that's called charity—then the government must force someone to pay.

It's the "forcing others to pay" part that really bothers me.

Why should I be forced to pay for your lack of personal responsibility? Granted, you cannot control all aspects of life by legislation but it certainly seems like the folks in Washington are going to try to force their will on us.

This is government OF the people but forsaking government BY the people.

Smaller cars, bigger government, Poppa Washington.

Posted by Bob Vineyard, CLU at [10:16 AM](#) [1 Comment](#) [Links to this post](#) 