

## How Obamacare Is ‘Working’

Increased insurance coverage does not mean increased access to medical care.

By [Michael Tanner](#)

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No matter how badly you want something to be true, simply wishing will not make it so. This is a lesson that Obamacare supporters need to learn, as they tell us yet again that the Affordable Care Act “is working.”

The latest claims stem in part from evidence that the number of uninsured Americans has been steadily declining. It is true that the most recent poll from Gallup found that the uninsured rate fell to 12.9 percent in the fourth quarter of 2014, down from 16.3 percent before the ACA passed.

Of course, it would be a mistake to attribute all of that improvement to the ACA. A large portion may be due to falling unemployment as the economy finally emerges from the recession. Since most Americans get their health insurance through their jobs, lower unemployment should naturally reduce the number of uninsured.

Still, the ACA can rightly be credited with some of the gains. If you subsidize something, you should expect to get more of it. And Obamacare heavily subsidizes health insurance.

The problem is, that statement uses the term “insurance” very loosely. In actuality, roughly 60 percent of those newly “insured” through Obamacare are actually being enrolled in Medicaid. And Medicaid is hardly the same as real insurance.

While Medicaid costs taxpayers a lot of money, it pays doctors little. As a result, many doctors limit the number of Medicaid patients they serve, or refuse to take them at all.

An analysis published in *Health Affairs* found that only 69 percent of physicians accept Medicaid patients. Another study, in the *New England Journal of Medicine*, found that Medicaid recipients were six times more likely to be denied an appointment than people with private insurance. And, according to a third study, when they do get an appointment, they wait an average of 42 days to see a doctor, twice as long as the privately insured.

Just last month HHS’s Office of Inspector General released a report showing how difficult it was for Medicaid patients to gain access to care through Medicaid managed-care programs. IG inspectors posed as Medicaid patients and called designated Medicaid managed-care providers. More than half of listed providers could not be found at the location listed. Others were found but were not participating in the plan, while still others were no longer taking new Medicaid patients. When the investigators were able to get appointments, they faced lengthy average wait

times. In 28 percent of cases, they had to wait longer than a month to see a doctor. Ten percent of the time, the wait exceeded two months. A 2012 report from the Government Accountability Office (GAO) confirmed that Medicaid patients faced serious accessibility problems.

And things are about to get even worse.

In an attempt to encourage more doctors to accept Medicaid, Obamacare included a temporary two-year increase in the program's reimbursement rates. After costing taxpayers roughly \$5.5 billion in 2013–14, that increase expired on January 1. Some states are planning to tap their own taxpayers in order to extend the increased reimbursement, but others are unlikely to come up with the money to pay for the extension. In states that don't pony up their own money — covering an estimated 71 percent of Medicaid recipients — physician reimbursements could fall by as much as 47 percent.

That's not going to encourage doctors to sign up more Medicaid patients.

Yet, at the same time, the number of people on Medicaid will have increased significantly. Counting normal Medicaid growth as well as the ACA, as many as 20 million more Medicaid enrollees could be seeking care compared with just five years ago.

It doesn't require an economic genius to realize what happens when increased demand meets reduced supply.

One of the myths of government-run health care has always been the idea that saying people are "covered" is the same thing as giving them health care. We see that in single-payer systems around the world, where universal coverage actually means waiting lists or rationing.

If Obamacare advocates are going to insist that enrollment numbers mean that the ACA is working, they are going to have to come up with a different definition of "working."

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