

THE ORANGE COUNTY BETA
REGISTER

Deroy Murdock: Can we lose health coverage? Yes we can

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"No matter how we reform health care, we will keep this promise," President Obama told the American Medical Association last June. "If you like your health care plan, you will be able to keep your health care plan. Period. No one will take it away. No matter what."

Unfortunately, Obama's oft-repeated vow is as flimsy as assuring a 10-year-old: "If you like your hometown, you can stay there." Surprise! Daddy gets a new job and hauls the family from Santa Barbara to Dallas.

Obama's pledge is hollow, mainly because most Americans do not own their health plans. Unlike their auto, home, or apartment insurance – which is their private property – 159 million non-elderly Americans enjoy employer-controlled group coverage (according to the Kaiser Family Foundation's annual Employer Health Benefits survey). Employees may love their insurance, but their bosses can change it the moment they become disenchanted, just as easily as companies switch from Coke to Pepsi in office vending machines. Employers also can drop coverage altogether.

"Obamacare" would forbid insurers from basing rates on the individual health of their customers in any community. It also would force issuers to cover people who refuse to buy insurance until they get sick. These and "Obamacare's" other complexities and contradictions would make insurance pricier, as would a \$149.1 billion, 40 percent excise tax on high-value "Cadillac plans." Thus, some employers would save money by paying fines after de-insuring employees. Workers who cherish their health plans then would find themselves dumped into the government-run Health Insurance Exchange.

"Some smaller employers would be inclined to terminate their existing coverage," explained a recent memorandum by Medicare's chief actuary, Richard Foster. He added: "The per-worker penalties assessed on non-participating employers are very low compared to prevailing health insurance costs. As a result, the penalties would not be a significant deterrent to dropping or foregoing coverage. We estimate such actions would collectively reduce the number of people with employer-sponsored health coverage by about 17 million."

Even more ominously, "Obamacare" would require employers to provide federally approved coverage. Obama considers "meaningful" plans those at least as generous as the Federal Employees Health Benefits Program.

"Obama's definition of 'meaningful' coverage could eliminate the health plans that now cover as many as half of the 159 million Americans with employer-sponsored insurance, plus more than half of the roughly 18

million Americans in the individual market," says Cato Institute analyst Michael Cannon. "This could compel close to 90 million Americans to switch to more comprehensive health plans with higher premiums, whether they value the added coverage or not."

Meanwhile, Medicare Advantage (MA) covers some 11 million seniors who purchase supplementary insurance with additional benefits, including preventive services and gym memberships. "Obamacare" would siphon \$118 billion from MA through 2019 and funnel it into a massive, new entitlement, even as Medicare wheezes into bankruptcy in 2017. These cuts would disfigure MA and likely jettison many seniors from the program.

"We're not going to be able to say 'If you like what you have, you can keep it,' Senator Bob Casey (D, Pa.) predicted to Bloomberg News. "And that basic commitment that a lot of us around here have made will be called into question."

Also, in particularly baffling prose, Pages 114 to 118 of the Senate's "Obamacare" bill seem to limit tax-advantaged Health Savings Accounts to the individual market, and only for those under age 30. The 9.5 million workers who now enjoy HSA-qualified, high-deductible plans – and self-insured individuals over 30 – apparently would lose catastrophic coverage and tumble into the Exchange.

Finally, Page 91 of the House's "Obamacare" bill lets those with individual plans keep their "grandfathered health insurance coverage," provided that the insurer "does not enroll any individual in such coverage" come 2013. Nor may it "change any of its terms or conditions, including benefits ..." So, you are grandfathered unless your insurer's actions – even without permission – effectively 'ungrandfather' you, plunging you into the Exchange.

Can Americans lose health coverage under 'Obamacare'? Yes we can!

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