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Ten Ways Obamacare Limits Patient Choice

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In the wake of the Supreme Court's ruling on Obamacare, Americans should remember that higher taxes are not the only negative consequence of the law. Obamacare limits patient choice through expansive federal regulation of the insurance market, government interference in the decisions patients make with their doctors, and increased dependence on government health programs.

Obamacare limits patient choice either directly or indirectly in a variety of ways. Here are just 10 Obamacare provisions to be aware of.

1. "Free" Preventive Services. Obamacare requires health plans to cover all preventive services ranked A or B (recommended) by the United States Preventive Services Task Force and does not allow them to share these costs with policyholders. This means that all patients will be forced to pay for this coverage through higher premiums. This additional expense will mean that some patients miss out on the coverage they actually need. As health policy expert Scott Gottlieb explains, "Many services that get 'Cs' or 'Ds'—such as screening for ovarian or testicular cancer—could get nixed from coverage entirely."[1]

2. "Free" Women's Preventive Services. Obamacare creates additional preventive care coverage requirements for women, which, like other benefit mandates, means that women are prevented from choosing health plans that suit their needs and reflect their values. These provisions require Americans to pay for products such as the full range of contraceptives, including abortifacient drugs, even if they object as a matter of conscience.[2]

3. Essential Health Benefits Package. Obamacare requires health plans to cover whatever benefits are deemed essential by the Secretary of Health and Human Services. As Heritage expert Ed Haislmaier explains, "The new federal benefit requirements represent a blatant assertion that Congress and federal bureaucrats know best how to design health insurance policies. The effects will be one-size-fits-all coverage—so that patients are not 'confused' by having choices—and elimination of employers' freedom to design their own self-insured plans."[3] Special-interest groups will most certainly lobby for inclusion of generous benefits, and the more expansive the "essential" benefits package becomes, the more it will cost. The coverage "floor" will become the ceiling, and Americans will have fewer options.

4. Medical Loss Ratio (MLR) Requirement. Health plans with health savings accounts (HSAs) give consumers more power over their health spending, which explains in part why enrollment in these plans grows every year.[4] But MLR ratios—which require insurers to use a certain percentage of premium revenue on medically related costs—threaten this popular option. One reason is that, since HSAs often cover most or all of participants' routine medical expenses, the claims that a high-deductible health plan experiences are larger and may fluctuate significantly from year to year. According to one study, "For high-deductible and HSA plans to be viable, both from a consumer and carrier perspective under [Obamacare], an adjustment to the MLR formula for the impact of HSAs may be

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necessary."[5] Otherwise, HSA plans may disappear, robbing consumers of an attractive and popular option.

5. Independent Payment Advisory Board (IPAB). Obamacare creates a board of unelected bureaucrats to implement ways to keep Medicare spending below a new cap. The board is limited mostly to changing provider payment rates, but reducing reimbursement will make it more difficult for providers to continue to care for Medicare patients. IPAB will also be empowered to contain costs by restricting access to certain treatments or services. Though the statute authorizes IPAB to "protect and improve Medicare beneficiaries' access to necessary and evidence-based items and services," this directive can be used to justify restricting access to care that the government does *not* consider necessary or evidence-based for most patients.[6]

6. The Patient-Centered Outcomes Research Institute. Obamacare creates this entity to advance comparative-effectiveness research (CER), which compares treatment options for a disease or condition. CER might be useful to doctors and patients in a purely informational role, but it should not be used to influence decisions without consideration of each patient's values, lifestyle, preferences, and goals. Obamacare will allow CER to be used by government to restrict choice through a one-size-fits-all approach to medicine.[7]

7. Medicare Value-Based Purchasing. Obamacare creates a Medicare value-based purchasing program to pay hospitals differentially based on their performance on federal quality measures. This model has not proven effective in demonstration programs, and it could, in fact, discourage high-quality, personalized care. For example, value-based purchasing could lead providers to focus more on care that is financially rewarding than on the needs of individual patients. In some cases, this may mean giving *preference* to ineffective or even harmful care.[8]

8. Medicaid Expansion. Medicaid, the federal–state program that provides health care for the poor and disabled, often fails to ensure timely access to appropriate care because of low reimbursement. Obamacare will add at least 17 million Americans to the program, exacerbating Medicaid's existing problems. More patients will be subject to the limited access to providers experienced by current Medicaid beneficiaries, reducing choice of physicians for current and new enrollees.[9]

9. Medicare Provider Payment Cuts. Obamacare cuts Medicare spending by about $400 billion by using one of the most damaging cost-containment mechanisms: reducing provider reimbursement rates. As payment for provider services falls, seniors will find fewer doctors and other providers who accept Medicare.

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2. See Ryan Messmore, "Obamacare, Religious Liberty, and Civil Society: What the Debate Is Really About," Heritage Foundation *Issue Brief* No. 3570, April 18, 2012, http://www.heritage.org/research/reports/2012/04/obamacare-religious-liberty-and-civil-society-what-the-debate-is-really-about.
3. Edmund Haislmaier, "Obamacare and Insurance Benefit Mandates: Raising Premiums and Reducing Patient Choice," Heritage Foundation *WebMemo* No. 3110, January 20, 2011, http://www.heritage.org/research/reports/2011/01/obamacare-and-insurance-benefit-mandates-raising-premiums-and-reducing-patient-choice.
4. America's Health Insurance Plans, "Health Savings Accounts and Account-Based Health Plans: Research Highlights," November 2011, http://www.ahip.org/Workarea/linkit.aspx?ItemID=4294967298 (accessed July 26, 2012).
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6. See Robert E. Moffit, "Obamacare and the Independent Payment Advisory Board: Falling Short of Real Medicare Reform," Heritage Foundation *WebMemo* No. 3102, January 18, 2011, http://www.heritage.org/research/reports/2011/01/obamacare-and-the-independent-payment-advisory-board-falling-short-of-real-medicare-reform.
7. See Kathryn Nix, "Inside the Patient-Centered Outcomes Research Institute: No Promise of Protection from Government Rationing," Heritage Foundation *WebMemo* No. 3474, January 26, 2012, http://www.heritage.org/research/reports/2012/01/patient-centered-outcomes-research-institutes-health-care-priorities.
8. See Kathryn Nix, "Comparative Effectiveness Research Under Obamacare: A Slippery Slope to Health Care Rationing," Heritage Foundation *Backgrounder* No. 2679, April 12, 2012, http://www.heritage.org/research/reports/2012/04/comparative-effectiveness-research-under-obamacare-a-slippery-slope-to-health-care-rationing.
9. See Brian Blase, "Obamacare and Medicaid: Expanding a Broken Entitlement and Busting State Budgets," Heritage Foundation *WebMemo* No. 3107, January 19, 2011, http://www.heritage.org/research/reports/2011/01/obamacare-and-medicaid-expanding-a-broken-entitlement-and-busting-state-budgets.

The Medicare actuary predicts that reductions in provider payment rates under Obamacare will lead to 25 percent of hospitals, skilled nursing facilities, and home health agencies operating in the red by 2030.[10]

10. Medicare Advantage Cuts. Obamacare cuts payments to health plans in Medicare Advantage. This popular and successful program allows seniors to receive Medicare benefits through a private plan of their choice. But the cuts will force seniors to either pay more in premiums or receive fewer benefits. The Medicare actuary projects that enrollment in the program will be cut in half as seniors' options become limited and they are forced back into traditional Medicare.[11]

Health Care Reform: Empowering Patients or Government? Many of the problems in health care today can be traced to the disconnect between patients and decisions that affect their care. Health reform should reverse this and put patients back in charge. But Obamacare does the opposite and gives more power to the government rather than individuals and families. The impact of the health law on patient choice is just one of the many reasons Obamacare should be repealed.

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10. 2012 annual report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds, April 23, 2012, http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/ReportsTrustFunds/Downloads/TR2012.pdf (accessed July 26, 2012).
11. See Robert A. Book and James C. Capretta, "Reductions in Medicare Advantage Payments: The Impact on Seniors by Region," Heritage Foundation *Backgrounder* No. 2464, September 14, 2010, http://www.heritage.org/research/reports/2010/09/reductions-in-medicare-advantage-payments-the-impact-on-seniors-by-region.