No One Would Miss ObamaCare, but the Window for Its alleged benefits are overrated, and by 2014 the bureaucratic mess may be impossible to untangle.

By MERRILL MATTHEWS

The minute the Supreme Court upheld most of the Patient Protection and Affordable Care Act, or ObamaCare, Republicans cranked up the "repeal and replace" volume. The House voted again Wednesday to repeal the entire law.

Meanwhile, President Obama has repeatedly warned that Americans will be hurt if part or all of the legislation is rolled back. "People's lives are affected by the lack of availability of health care," Mr. Obama has told reporters, "the inaffordability of health care, their inability to get health care because of pre-existing conditions." In fact, very few people would be hurt if part or all of the law is repealed, and millions of them would be helped.

One of the most cited "benefits" of the law, which doesn't take effect until 2014, is the provision prohibiting health insurers from declining an applicant because of a pre-existing medical condition, known as "guaranteed issue." Yet the problem, while it is real for some people, was never as big as the president claims.

The 1996 Health Insurance Portability and Accountability Act (known as Hipaa) set standards in the employer-based group market—where 170 million Americans get their coverage—that largely eliminated pre-existing condition exclusions. In addition, Hipaa
allows insured workers who lose or change their job to get new coverage without a waiting period.

The primary place ObamaCare's pre-existing condition provision will have an impact is in the individual market, where about 14 million people buy their own coverage. Individuals are the ones most likely to wait until they need coverage to buy it; hence ObamaCare's mandate requiring them to have insurance.

However, most states had made provisions for the " uninsurables" long before ObamaCare came around. Thirty-five states have created state-based high-risk pools—Minnesota and Connecticut established the first ones as far back as 1976—which currently provide comprehensive health coverage to some 222,000 Americans who couldn't qualify for standard health insurance because of a pre-existing condition.

Instead of tapping into this existing system, ObamaCare set up a temporary, and mostly redundant, system of high-risk pools, complete with $5 billion in funding, to cover the uninsurables until 2014. Only 62,000 people have enrolled in the new pools, about one-seventh of the predicted number.

Consider also the experience of eight states—Maine, New York, New Jersey, Vermont, Washington, Massachusetts, Kentucky and New Hampshire—which passed guaranteed-issue legislation in the mid-1990s. None of them included a mandate to have coverage—which meant that people could wait until they needed health-insurance to get it, making the insurance pools very small and policies very expensive. As a result, New Hampshire, Washington and Kentucky eventually abandoned guaranteed issue. Kentucky repealed most of its law in 2000 after premiums exploded by an average of 50% and 45 health insurers, including New York Life, Mass Mutual and The Principal, fled the state.

But people weren't hurt by the repeal. They were helped because it ensured that once again they got access to more policies at lower prices.

The president also likes to point to some 3.1 million children who the new law allowed to get coverage on their parents' policy until they are 26. Here again, the alleged benefit is vastly overstated. Most standard health-insurance policies allow dependent children to remain on their parents' policy until the age of 25 or so as long as they are considered dependents—students going to college, for instance. By contrast, ObamaCare includes most non-dependent children, who can remain uninsured until they need care, such as a pregnancy, and then return to their parents' coverage.
Here again, this insurance mandate hurts Americans more than it helps. Children's coverage is very affordable because 2-to-18 year-olds are the healthiest segment of the population. Now that adults well into their childbearing years are included and can move in and out of coverage when needed, (by paying a modest penalty), the premiums for children will have to go up, making coverage more expensive for young families, which often have lower incomes.

ObamaCare also eliminated the cap on annual and lifetime health-insurance benefits. But most standard group policies were moving toward a $5 million lifetime cap anyway—a level very few Americans ever reach. So while eliminating the cap will help some people, it is a very small number.

Lately, the president has been touting the "free" preventive care provision, which recently blew up in a fight over forcing religiously affiliated organizations to provide coverage for contraceptives, even if that violates their religious beliefs. The reality is that most standard group insurance policies already cover preventive care, including several contraceptive options—although there may be a small copay. The new benefits aren't "free," as the president claims. Either insurers or employers—and ultimately employees—will pay for them.

In short, nearly all of the professed current benefits of ObamaCare are overstated and consist mostly of a system of imposed cost-shifting that hides the cost of the regulations. The problems they allegedly solve are relatively easy to fix and at a far lower cost to us all.

Thus, if ObamaCare is to be stopped and replaced with a workable reform that gives consumers more power and control over their health-care dollars, it needs to be done now. Today, the costs and benefits of ObamaCare are small and relatively few people will be harmed if it's repealed. After 2014 the costs, financial and otherwise, will be huge—and untangling the mess it creates almost impossible.

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