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THE FINAL WORD

First rule of Medicaid expansion: Do no harm

By Lindsey Dodge and Jack McHugh

The Affordable Care Act of 2012, called Obamacare, was intended to decrease the number of uninsured Americans. But throughout the law's many pages of subsidies and mandates, little or no attention is paid to the quality of health care. If the law's authors had considered real-world incentives, they would have given much greater attention to this critical aspect.

Consider doctors. The Medicaid expansion proposed by the law will create a rising demand for health care from new enrollees, many of whom are older and already require more care. Given ongoing suppression of the number of doctors by politicians and the physicians' lobby, this may be overwhelming. The increased cost of doing business coupled with flooded patient lists will continue Michigan's rapid decline in the number of practicing physicians.

Consider young adults. Medicaid expansion would place an increased burden on young adults' premiums because Obamacare's "community rating" mandates that insurance companies cannot charge older clients more than three times what they charge younger clients — despite the fact that the older clients' health costs are typically six times more than young adults.

Consider those struggling to enter the middle class. In some previous Medicaid expansions, as many as 50 percent of the new beneficiaries dropped the private insurance coverage they already had in order to sign up.

A recent [Mackinac Center](#) study estimates that such a "crowd out" would be 29 percent if Michigan expands Medicaid. What does that say about the incentives and interference of the government, when in attempting to decrease the number of uninsured people it actually provokes newly government-subsidized patients to drop insurance? Medicaid may well be

the most attractive short-term option for some people — but that hardly counts as a win.

Consider business owners, from the local coffee shop to a city consulting firm. Businesses with more than 50 employees will pay a penalty if they fail to provide insurance coverage meeting specifications decreed by politicians. This will incentivize businesses to offer scanty coverage in order to receive the smallest available fine. Businesses with fewer than 50 employees will struggle to afford the higher cost of providing insurance.

This means that small business owners will have to make other compromises, whether that means only hiring people on contract or minimizing other benefits, in order to stay in business.

Now consider those currently on Medicaid — this is essential. Recent studies have shown that those on Medicaid have no better, and often worse, health outcomes than those who are uninsured. Furthermore, with the increased demand for health care without the needed influx of doctors, it will likely take even longer for those on Medicaid to receive care.

It shouldn't matter that there will be some short-term financial benefits for legislators to stock away — if those promises can be trusted at all. More people will be receiving worse care and less care. We must learn to consider long-term impact for all people, not merely short-term impact for some people.

Michigan lawmakers cannot allow the expansion of Medicaid in our state. There ought to still be hope that more people can receive better care. Legislators need to be reminded of the Hippocratic Oath: "First, Do No Harm."

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