



Insight

Obamacare and Freedom

DOUGLAS HOLTZ-EAKIN | JULY 22, 2010

It becomes increasingly clear that the real loser in ObamaCare is freedom of choice. The latest example comes in Jim Capretta's sterling new paper "[Why the Obama Health Plan is Not Entitlement Reform](#)." One feature of his analysis is the likely future of the Accountable Care Organizations (ACOs) set up in Medicare under the bill. As he says:

"The ACO concept is to allow doctors and hospitals to voluntarily join up with others in new legal entities that are accountable for providing care across institutional and outpatient settings. The idea is to get physicians and hospitals in new organizational arrangements in which they share revenue and keep the savings if they provide quality care at less cost than what FFS Medicare would normally pay. The physicians and hospitals participating in an ACO would keep most of the resulting savings.

In effect, then, ACOs are the latest in a long series of efforts to get physicians and hospitals to form provider-run, as opposed to insurance-driven, managed care entities.

But the key to understanding the ACO concept is that beneficiaries play no role [emphasis added] whatsoever in selecting where they get care. They are supposed to get assigned to an ACO based strictly on whom their primary care physician is, and which ACO that physician is affiliated with."

Capretta's main point is that the ACOs will fail to control Medicare costs because beneficiaries will resist the imposition of tight networks of providers. My point is the flip side. ObamaCare is built on the premise that the government is smarter than Americans. The Administration believes reflexively that citizens are better off having their freedoms stripped away.

Doug's Bottom Line: Mandates, government-sanctioned insurance products... and now ACOs. It is time to restore health care choice.