Insight

# Sebelius Unable to Answer the Tough Questions

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Health and Human Services (HHS) Secretary Kathleen Sebelius testified in front of the Senate Finance Committee yesterday to discuss the 2013 Fiscal Year budget proposal.  In addition to President Obama's proposal, Sebelius was asked to speak to a number of different topics regarding the ACA's effect on taxpayers and the American economy.

According to Sebelius, the large payouts in grants and funding over the next decade are meant to invest in the future; increasing primary care doctors and health information technology systems, which will eventually reduce the long-term debt. Long-term is the key, because she does not have any concrete evidence that these investments will be successful in reducing healthcare costs and thus the burden of debt.

With regard to small employers, she explained that although premiums are increasing now, once state-based exchanges are up and running in 2014 (assuming they are up and running on time, which looks unlikely) employers can shop around for healthcare that better suits the needs for their employees.  In effect, she is counting on the state exchanges to make plans price their insurance products more competitively. Sebelius often pointed to Massachusetts as an example, as the state has seen a dramatic increase in employer-provided insurance. However, Massachusetts has only seen premiums rise, so why will the nation be different?

When asked about the 2014 deadline, Sebelius left her answers vague and open ended on whether all 51 states will be prepared for state exchanges in the next two years.

Is there a possibility that these large-scale reforms such as state exchanges and an individual mandate may actually reduce health care costs over the long run? Sure, but it's a big gamble. Saddling employers with even higher health insurance costs and gambling our way into a larger federal debt with the hopes that this ACA "investment" will somehow pay off in the future is nowhere near the nation's best interest.

By: Emily Egan and Kristen Hayford