



The Health Care Blog

Health Problem Quantified

By JOHN GOODMAN, PhD

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We now know how many people have the problem most often cited as the reason for last years' health overhaul legislation. Answer: 8,000

No, that's not a misprint. Out of 310 million Americans, only 8,000 people have the problem given as the principal reason for spending almost \$1 trillion, creating more than 150 regulatory agencies and causing perhaps 150 million or more people to change the coverage they now have.

Alert readers will remember the White House summer of 2009 invitation to all Americans to send in their horror stories describing health insurance industry abuses. Although the complaints were many, the vast majority were about pre-existing condition limitations. Then, on the eve of the ObamaCare vote, every member of Congress who appeared on television to defend the legislation was able to cite by name an individual or family in his or her state or Congressional district with a heart wrenching story.

Gone was any interest in "universal coverage" or "insuring the uninsured" or "helping poor people get health care." The case for change was focused almost exclusively on protecting the middle class from miserly insurance companies.

Although the most important parts of ObamaCare (the individual mandate, subsidies, employer fines, etc.) do not kick in until 2014, the legislation made interim provision for those with pre-existing conditions problems. A new kind of risk pool is open to anyone who is denied insurance in the private sector and it's available for the same premiums healthy people pay. Twenty-three states are operating their own risk pools and 27 are relying on a federal plan.

It's been like giving a party to which no one comes. The Medicare program chief actuary predicted last spring that 375,000 would sign up for the new risk pool insurance in 2010. But by the end of November, only [8,000 had done so](#). As Amy Goldstein reports in *The Washington Post*, this includes 75 in Virginia, 80 in New Hampshire, 97 in Maryland and a whopping 700 in North Carolina.

While a lot of people are surprised by these numbers, I am not. Here is why. Don't you think it is a bit odd for the White House to send out an appeal to victims so they can identify themselves? That's not normally how the political system works.

The more usual scenario is: victims unite and form interest groups; they lobby Congress, write letters, testify, etc; and eventually the pressure become so great that Congress legislates.

When have you ever heard of that entire process in reverse? When has Congress ever before decided it wants to do something and then conducted a nationwide search to find people who will benefit?

The reasons for the reversal is that this whole problem has been completely hyped and exaggerated from the get go. In this country we have made it increasingly easy for people to get health insurance after they get sick. Going to work for an employer with generous health benefits, for example, is the most direct way.

Of course that system will miss people who are too sick to work. And that may explain why the few who are signing up appear to have very high medical expenses. Even though they have less than 1/40th of the expected enrollment, the plans are already running out of the money.

Meanwhile, as [I've said before](#), the beneficiaries of reform are few, scattered and largely invisible. The cost of reform is falling on people who are numerous, somewhat organized and very vocal. That is why I think the prospects for reform of the reform are quite good.

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