ObamaCare 2016: Happy Yet?

The website problems were finally solved. But the doctor shortage is a nightmare

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Three years after the disastrous launch of the Affordable Care Act, most of the website troubles finally have been ironed out. People are now able to log on to the government's ACA website and to most of the state health-insurance exchanges. The public has grudgingly come to accept higher insurance premiums, new taxes and increases in part-time workers who were formerly full-time. But Americans are irate anyway—because now they're seeing the health-care law's destructive effect on the fundamental nature of the way their care is delivered.

Even before the ACA's launch in 2013, many physicians—seeing the changes in their profession that lay ahead—had begun talking their children out of going to medical school. After the launch, compensation fell, while nothing in the ACA stopped lawsuits and malpractice premiums from rising. Doctors must now see many more patients each day to meet expenses, all while dealing with the mountains of paperwork mandated by the health-care law.

The forecast shortage of doctors has become a real problem. It started in 2014 when the ACA cut $716 billion from Medicare to accommodate 30 million newly "insured" people through an expansion of Medicaid. More important, the predicted shortage of 42,000 primary-care physicians and that of specialists (such as heart surgeons) was vastly underestimated. It didn't take into account the ACA's effect on doctors retiring early, refusing new patients or going into concierge medicine. These estimates also ignored the millions of immigrants who would be seeking a physician after having been granted legal status.

It is surprising that the doctor shortage was not better anticipated: After all, when Massachusetts mandated health insurance in 2006, the wait to see a physician in some specialties increased considerably, the shortage of primary-care physicians escalated and more doctors stopped accepting new patients. In 2013, the Massachusetts Medical Society noted waiting times from 50 days to 128 days in some areas for new patients to see an internist, for instance.

But doctor shortages are only the beginning.

Even before the ACA cut $716 billion from its budget, Medicare only reimbursed hospitals and doctors for 70%-85% of their costs. Once this cut further reduced reimbursements, and the ACA added stacks of paperwork, more doctors refused to accept Medicare: It just didn't cover expenses.

Then there is the ACA's Medicare (government) board that dictates and rations care, and the board has begun to cut reimbursements. Some physicians now refuse even to take patients over 50 years old, not wanting to be burdened with them when they reach Medicare age. Seniors aren't happy.
Medicaid in 2016 has similar problems. A third of physicians refused to accept new Medicaid patients in 2013, and with Medicaid's expansion and government cuts, the numbers of doctors who don't take Medicaid skyrocketed. The uninsured poor now have insurance, but they can't find a doctor, so essentially the ACA was of no help.

The loss of private practice is another big problem. Because of regulations and other government disincentives to self employment, doctors began working for hospitals in the early 2000s, leaving less than half in private practice by 2013. The ACA rapidly accelerated this trend, so that now very few private practices remain.

When doctors are employed like factory workers by hospitals, data from the Medical Group Management Association and others indicate, their productivity falls—sometimes by more than 25%. They see fewer patients and perform fewer timely procedures, exacerbating the troubles caused by physician shortages. Continuity of care also declines, since now a physician's responsibilities end when his shift is over.

Of those doctors still in private practice, many have taken refuge from the health-care law by going into concierge medicine, where the patient pays an annual fee (typically $500-$3,000 a year per individual) to a primary-care physician. This doctor provides enhanced care, grants quicker appointments and spends more time with each patient, working with a base of 300-600 patients instead of the 3,000-5,000 typical in the ACA era. Doctors and patients who can afford it love concierge medicine: It allows treatment to be administered as the doctor sees fit, instead of as if the patient is on an assembly line with care directed on orders from Washington.

Patients who can't afford concierge medicine but have seen their doctor take that route are out of luck: They have been added to the swelling rolls of patients taken care of by the shrinking pool of physicians. So even people with "private" insurance have found that the quality of their health care declined. Nowadays, many are forced instead to see a nurse or other health-care provider. The traditional doctor-patient relationship is now reserved primarily for those who can pay extra.

Concierge-type care was easily expanded to specialists. The top surgeons now simply opt out of Medicare or become "out of network" providers, allowing them to bill patients directly. Many have joined the plastic surgeons and ophthalmologists who work on a straight fee-for-service basis.

Equally important: With the best and most successful doctors disappearing into concierge medicine or refusing new Medicare and Medicaid patients, replacing these experienced physicians with bright young doctors to work with the "general public" has become difficult. Why? Because such doctors are hard to find—going into medicine doesn't have the professional allure it once did.

With an average of $300,000 in student loans, eight years of college and medical school, and three to seven years as underpaid, overworked residents, a prospective physician in the ACA era would be starting a career at age 30 in a job that requires working 70-80 hours a week in an assembly-line fashion to earn perhaps $100,000 a year. No wonder so many qualified individuals these days are choosing careers on Wall Street or in Silicon Valley instead of medicine.

It is also no wonder that three years ago members of Congress got themselves exempted from the Affordable Care Act. They may have passed the law, but they're not stupid.