

OBAMA'S HEALTHCARE PLAN

REAL MONEY column for The Santa Fe New Mexican

By Rob Rikoon

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Many of my friends are doctors. By and large, they support the Obama bill which is a fulfillment of his campaign promise that health care should be available to all Americans and to accomplish this by taxing the wealthy and providing more services to the working poor.

The freshly signed but still contested plan doesn't do much besides prohibiting insurance companies from denying coverage or booting people out at their company's convenience. They get to charge whatever they want for the privilege of taking on 30 million new customers and so everyone's premiums are likely to continue to skyrocket.

Big drug companies get shielded from more competition from generic drug makers and foreign suppliers in exchange for their promise to refrain from lobbying against these changes. There is no legal malpractice reform, no effort to limit costly procedures during the last phases of terminal illnesses, no incentives for Americans to make preventative efforts, and no increase in competition within the insurance industry.

Doctors will continue to have less autonomy and, except for a few specialists that cater to the wealthy, their paychecks will go down. Hospitals will see their patient populations continue to explode as the absence of national HMOs and fewer doctors in private practice make ERs the main and sometimes the only available location for many people with bare bones or no insurance. Hospitals will therefore have to turn to state and federal subsidies for this very cost inefficient method of delivering health care to the masses.

Insurance companies will maintain control of the system overall because most of the money will continue to flow through their coffers and their continued massive lobbying presence in Washington.

Medical product and service providers will have smaller profit margins, but the increased percentage of the population who will be covered will allow lofty executive pay levels while providing paltry returns to owners of publicly traded stock. The country as a whole will continue its trend of spending an increasing portion of our annual national output on health care, with disappointing results compared with the rest of the developed world.

By the time the bill's provisions get implemented (over the next 10 years), they will probably be different than the recently passed legislation. The Act is a much needed political victory for the president and a practical benefit to uninsured Americans and for that, many are thankful. Is it a first step towards addressing the fundamental problems of a dysfunctional health care system that promulgates runaway spending with mediocre results? I don't think so. Is there much hope that we will not have to take on higher levels

of government debt to pay for the newly insured? Not really. The results of the political end run we have just witnessed, while positive from a humanitarian perspective, may eventually be higher interest rates so as to attract capital to fund the nation's deficits.

One certain effect of this long and complicated health care reform process is the government's increased involvement as both a player and referee. Health care, like education, may increasingly be seen as a public service with private options available to the wealthy. Without taking on the insurance companies lock hold on the overall process, taxpayers and small investors will bear the burden of increased costs, reduced services, and lower returns.

We are a fairly passive citizenry because, by and large, our standard of living is still high. Our culture's level of civility could change rapidly if some of the basic goods or services we have come to consider as common rights become the privileges of a few. Decent and affordable health care has become a test of our national character, the results of which are not yet available.

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