

"They write politics, we write government"

YOU LEFT OUT SOME IMPORTANT BITS ABOUT JIMMY KIMMEL

I know – I can't yell back at everybody who yells on the internet. But sometimes I read something so cynical that I just have to comment. If it also distills the faults in the Republicans' health care plans to their core, it might even prove instructive. Let's see.

I don't know who Dr. Brian Joondeph is. Based on some internet research, he appears to be a retinal surgeon in Denver who occasionally writes for mainstream conservative sites like American Thinker. I am sure he is a nice guy and a good doctor. But a recent piece he wrote, "[Jimmy Kimmel left out some important bits about Obamacare](#)" received more attention than your average blog. Fox News personality Brit Hume promoted it and it was picked up by Real Clear Politics; from there it came to my attention.

Kimmel's monologue has received a lot of attention – positive and negative. Senator Bill Cassidy, R-LA, said that any health care bill must pass the brand-new "Kimmel test". But, the Murdoch-owned New York Post went with "Jimmy Kimmel's obscene lies about kids and medical care." The Washington Times, not to be outdone, went with "Shut up, Jimmy Kimmel, you elitist creep." [No links to those here]. This despite the fact that Kimmel made clear that his concern was not for his family, who have strong employer-based coverage backed by massive resources, but for those without either of the above.

So when I saw Dr. Joondeph's piece, it piqued my interest. He does claim that Kimmel "pivoted from family health crisis to typical late-night comedy show shtick, bashing Donald Trump, Republicans,

conservatives, and all things not liberal." I don't think he used any of the words "Trump," "Republicans," "conservatives," or "liberal." But other than this one line, Dr. Joondeph stuck to the substance. Let's see how he did.

Joondeph begins by criticizing Kimmel's claim that his son could have been turned down for care due to the son's pre-existing condition. In this he is correct; when the child came into the world, his condition would not have been allowed him to be denied coverage. It would not have been pre-existing. However, there are a few problems with his argument.

Under Trumpcare, in some states insurers will be able to charge more based on the health of a beneficiary. A significant percentage of the population with serious conditions will not have any reasonable way to purchase insurance. This is not just my opinion, it was how health insurance worked before the ACA was passed. Trumpcare's high-risk pools should not be expected to perform much better than pre-ACA pools. These pools' massive underfunding led to enormous waiting lists and themselves excluded pre-existing conditions. In Trumpcare, the pools will be funded at between 1% and 5% of what will be needed to provide coverage; even this funding lasts only five years. Which is a long way of saying that even if Billy's heart problem wouldn't have prevented his insurance, his parent's might have.

And, it gets worse. If Billy's parents lost their insurance for any reason – such as their plan being cancelled by their insurer, as happens frequently –

then little Billy would have had to go through medical underwriting. This would have picked up his pre-existing condition, making insurance unaffordable. Joondeph makes the point that a newborn baby will receive life-saving treatment from the hospital no matter their insurance status. But, an uninsured 2-year old will have very limited access to the type of ongoing care Billy will need. Best case – his parents are virtually certain to go bankrupt paying for this care. Worst case, in and out of emergency rooms, treating symptoms rather than the root cause, dramatically lowering his chances of reaching adulthood.

Then, Joondeph raises a good point – despite being “insured” the medical care for Billy will still be very expensive for his family. He quotes the exchange-based Bronze plans, which generally include deductibles of \$12,000 per year. First of all, I’ll (safely) make the assumption that Joondeph is likely in favor of more “patient choice” and “personal responsibility.” This family made a choice to buy that Bronze plan. Going to [the New York state exchange](#) and putting in ZIP 11215 for Kings county shows you many gold and platinum plans with much lower deductibles. Of course, the premiums on these plans are more expensive. You can’t get something for nothing, but I’d be happy to agree with Dr. Joondeph that exchange subsidies should be a bit higher.

Going further, the only reason that the Bronze deductibles are not **higher** is the ACA. I don’t know where he gets \$12,000, but the [ACA limits deductibles](#) (and maximum total out-of-pocket spending) to \$14,300. Without the ACA, some companies would sell “catastrophic plans” with even higher deductibles. More importantly to Billy’s family, policies with annual or lifetime caps would come back on the market.

Now, you might say that the existence of these plans won’t hurt Billy or his family; they will just buy plans that are cap-free. Unfortunately, we know this won’t work by going back to the well of the Fundamental Theorem of Healthcare:

If it's not required for everybody, it will not be available for everybody. If everybody has the choice, then nobody will have a choice.

How does this apply here? Let’s take the issue of annual caps. Billy’s family will want to buy a plan without a cap. These plans are more expensive, so families without major health issues will buy plans with caps in order to have lower premiums. This will introduce selection bias into the cap-free plans, which causes premiums to increase further. Then, only the even-more-unhealthy families buy uncapped plans, introducing selection bias and premiums go higher again. This is a death spiral in the uncapped insurance market, created solely by market forces. Over time, all health insurance plans will tend towards the skimpiest plan permitted by law. So Joondeph might have a good point – but he argues for more tightly regulated insurance, a “Super-Obamacare” so to speak.

Joondeph also talks at length about the narrow networks that many Obamacare plans have. And he is right – it is cheaper and easier for private insurers to have narrow plans, so they tend to do this. We talked about this when we discussed the problems of [selling insurance across state lines](#). As long as you are relying on private insurance companies and private medical providers, they will partner in the way that makes sense economically unless otherwise forced. So he’s named the problem, but it isn’t clear what Joondeph’s solution would be. The ACA did not cause narrow networks.

If your system involves private insurers working with private health providers, then they will “pair up” in the way that makes economic sense. Billy’s family had the choice to pay more for a plan with a wider network. They didn’t foresee the need, but the responsibility-based cult says this is their fault. Maybe the suggestion is that as a society we need to provide better education about health care uncertainty. Of course, the ACA set up the program of “health navigators”, but many Republican-controlled states have [actively subverted this education process](#). Other than this, the only other

solution I can imagine is for the government to force these private actors to have wider networks. I have no idea how this would work, and I doubt this is Dr. Joondeph's suggestion.

You know what type of health coverage has really wide network? [Medicare](#). You know what type of health coverage has really low out-of-pocket costs? [Medicaid](#). You know what law would allow pre-existing conditions, medical underwriting and caps back into the system? [Trumpcare](#). Again, I'm sure that Brian Joondeph is a nice person and an excellent ophthalmologist. But like we see so many times, being a provider in the health care industry does not necessarily provide an understanding of how to run a national health care system.