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Written by **Staff** on March 21, 2016

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Inside Track

ObamaCare Reduces Competition and Rations Care

The Affordable Care Act (ACA) was ostensibly enacted to protect average Americans from big insurance companies and to ensure that, as President Barack Obama put it, insurers "are limited in the ability to extract profits and deny coverage." But ObamaCare has instead stimulated consolidation in the healthcare sector and rationing of care, according to a February 11 report from the American Action Forum (AAF), a center-right think tank in Washington, D.C.

Until recently, most physicians maintained independent solo or small-group practices; few were employed by hospitals. Lately, however, hospitals "have been forming physician groups, which have in turn been buying up physician practices at a rapid rate," wrote AAF's Robert Book, a health economist. In addition, noted Book, "Hospital groups across the country have also started forming their own health insurance companies … with their own facilities and physicians as the main in-network providers."

The ACA encourages health plans to have narrow provider networks. Also, through the Medicare Shared Savings Program, the law establishes a system of Accountable Care Organizations (ACOs) for Medicare patients, the objective of which is to control costs. ACOs are groups of healthcare providers who agree to care for at least 5,000 patients.

If an ACO includes many of the major hospitals, then it becomes a lot easier to guide patients to the level and type of *utilization* desired — which is, for purposes of the Medicare Shared Savings Program, always less utilization. And of course, it is much easier to enforce referral and utilization policies on physicians who are employees of a group running the ACO, rather than simply independent businesses who happen to join an ACO at a given moment in time.

The Medicare Shared Savings Program encourages hospitals and physicians of different specialties to join together in order to encourage patients to use less healthcare. Put more bluntly, the purpose of ACOs is to ration care, and the best way they can achieve that objective is to grow larger and larger until patients have little choice but to submit to their dictates.

Feds Seek "Mental Health" Testing of All Children, Adults

A panel advising the Obama administration, in partnership with Big Psychiatry, wants to make doctors subject all American adults and children over age 12 to screening for alleged "mental health" disorders. Anyone found to harbor any alleged mental disorder, including children as young as eight, should undergo "therapy," often including powerful psychotropic medications that experts say have dubious value but often come with well-documented and dangerous side effects.

The latest recommendations for children and adolescents 12 and older were published February 9 in the *Annals of Internal Medicine*. "The USPSTF [United States Preventive Service Task Force] recommends screening for major depressive disorder (MDD) in adolescents aged 12 to 18 years," the HHS task force said in the summary of its position. "Screening should be implemented with adequate systems in place to ensure accurate diagnosis, effective treatment, and appropriate follow-up." Why the federal government believes it has any business coming between patients and doctors — or where it believes the constitutional authority for such meddling is found — was not immediately clear.

When it comes to adults, the advisory panel wants to cast an even broader net. "The USPSTF recommends screening for depression in the general adult population, including pregnant and postpartum women," said the outfit, which adds that its views should not be construed as the official position of the "Agency for Healthcare Research and Quality" or Obama's HHS. "Screening should be implemented with adequate systems in place to ensure accurate diagnosis, effective treatment, and appropriate follow-up."

The outfit downplays the very serious risks associated with antidepressants. For instance, the panel admits that antidepressants are "associated" with harms, including an increase in suicidal behavior, an increased risk of gastrointestinal bleeding, fetal harm, and more. But despite that, the task force "concludes with at least moderate certainty that there is a moderate net benefit" to screening all American adults. And by all, the task force means all: "The USPSTF recommends screening in all adults regardless of risk factors," it said.

Record Number of Abortion Facilities Have Closed Since 2011

Since 2011, at least 162 abortion facilities across the nation have either closed completely or stopped performing abortions, while only 21 new abortion facilities have opened. These statistics were compiled by Bloomberg News over the past three months and reported on February 24.

Texas led the nation in the number of abortion facilities closed, with 30, followed by Iowa with 14, Michigan with 13, and California with 12. While the decline in facilities providing abortions is generally attributed to more stringent restrictions imposed by new state laws, the decline in California, which besides being the nation's most populous state is also dominated by Democratic legislators who tend to be favorable to "abortion rights," goes against this trend, suggesting multiple reasons for the decline.

A report on the closings at LifeNews.com noted other factors responsible, including a decline in the number of doctors willing to perform abortions, a decline in the number of women seeking abortions, and increasing reliance on the "morning after" pill, all of which result in a loss of business and therefore make abortion less profitable.

Another major factor that has reduced the demand (and therefore, the financial rewards) for abortion has been greater education about the nature of abortion, which has caused many women who had previously considered abortion to have a change of heart.

While the reduction in the number of abortion facilities in our nation is good news for those who are committed to the right to life for all unborn children, with 739 abortion clinics remaining in the United States, their work still has a long way to go. Short of a reversal of the Supreme Court's infamous *Roe v. Wade* decision, which would allow states such as Texas to restrict abortion unimpeded by interference from federal judges, the end of the abortion holocaust is still a long way off.

Oil Industry Facing Massive Challenges

Despite claims to the contrary during the IHS CERAWeek (Cambridge Energy Research Associates) energy conference in Houston during the last week of February, energy producers are facing challenges that are threatening the existence of not only marginal, highly leveraged producers, but large companies as well.

Canadian-based Suncor is just one example. Known for its Sunoco brand (now Petro-Canada), Canada's largest crude-oil producer reported three weeks ago that it suffered a fourth-quarter loss of $1.45 billion and that it was slashing its capex (capital expenditures) for 2016 by 10 percent, forcing its expected 2016 production to fall by the same amount. It is also selling assets in order to keep paying its dividends to nervous investors. But Steve Williams, the company's CEO, told equally nervous participants, "We will be one of the last guys standing."

Lamar McKay, BP's deputy chief executive, did the same: "Times are tough. You'd almost call them brutal right now. But we will adapt. We will make it." This from the world's sixth-largest oil and gas company, which lost $6.5 billion in 2015 and was forced to lay off more than 3,000 employees.

Taken together, the oil industry worldwide has cut more than 300,000 jobs since the summer of 2014, while capex of nearly $1.5 trillion will be cancelled between 2015 and 2019, according to the conference sponsor. So far nearly 50 U.S. oil producers have filed for bankruptcy protection this year, with many more sure to follow this spring as banks readjust their reserve valuations used to back up their loans. This could imperil more than $17 billion in debt held by banks.

There's another problem: where to store the surplus crude oil, estimated to be piling up at the rate of 1.5 to two million barrels every day. Empty tankers and railroad tank cars are being leased to store the surplus, waiting for demand to pick up (or supplies to dwindle).

Since there is little evidence on the horizon to support higher crude oil prices, oil industry executives are running out of options and optimism, and for many it's a matter of survival until that day arrives.

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