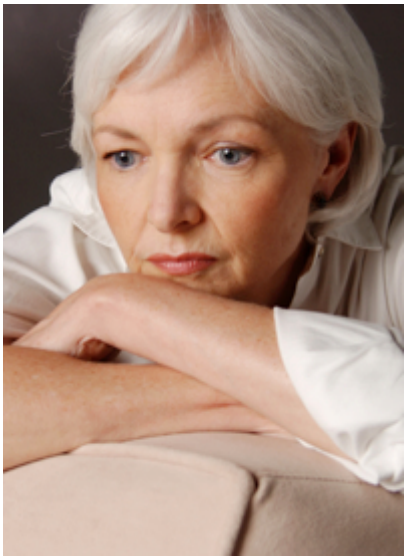
Written by **Brian Koenig** on November 18, 2011

Obama Nominee for Social Security Board Favors Healthcare Rationing



Henry Aaron, a senior fellow of the Brookings Institution, harbors sentiments on the issue that are arguably even more extreme, which is evident in his comments about the Independent Payment Advisory Board.

The Independent Payment Advisory Board (IPAB), a U.S. government agency established in 2010 by sections of Obama's healthcare overhaul, has the explicit task of curtailing the rate of growth in Medicare expenditures. Section 4303 of the Affordable Care Act grants the IPAB an unbounded authority to develop proposals to cut Medicare costs, which become law unless Congress acts to produce alternative cost-saving proposals that would save at least as much as the IPAB proposes.

House Republicans have questioned the board because of its budding impulse for rationing and the limited transparency of IPAB proceedings, as IPAB rules limit "Congressional oversight of the Medicare program and replace the transparency of Congressional hearings and debate with a less transparent process overseen by the executive branch, with at best, minimal accountability for the healthcare decisions it makes."

Aaron wrote an article earlier this year entitled "The Independent Payment Advisory Board — Congress's 'Good Dead'," which heralded the IPAB, particularly the board's resistance to stringent congressional oversight. In the article, Aaron went so far as to compare the Federal Reserve's nontransparent nature to the IPAB's capacity to operate virtually independent of the legislature:

> Among the most important attributes of legislative statesmanship is self-abnegation — the willingness of legislators to abstain from meddling in matters they are poorly equipped to manage. The law creating the Federal Reserve embodied that virtue. Congress recognized the abiding temptation to use monetary policy for political ends and realized that it would, at times, prove irresistible. To save themselves from themselves, wise legislators created an organization whose funding and operations were largely beyond the reach of normal legislative controls. Short of repealing the law, Congress denied itself the power to do more than kibitz about monetary policy.

If ObamaCare is not repealed, the decrees of the IPAB's 15 unelected members would effectively become law. In fact, once the board has made a ruling on a certain treatment plan, the decision must be overturned by statute under ObamaCare — meaning, a majority in both the House and Senate and a signature from the President.

Aaron concedes that the IPAB is flawed, but only because he believes the board's largely unchecked powers are not unchecked enough. "I admit that the provisions governing the IPAB are less than optimal. For example, recommendations regarding payments to acute and long-term care hospitals, hospices and inpatient rehabilitation and psychiatric facilities are off-limits until 2020; and those to clinical laboratories are off-limits until 2016," Aaron wrote. "These politically motivated restrictions should be repealed as early as possible so the IPAB's recommendations can comprehend the delivery system as a whole."

The Brookings Institution economist says that "the survival and strengthening of the IPAB is of critical importance," which is predictable, given some of Aaron's earlier opinions which were captured in a *Washington Post* article published during the Reagan administration. The *Post* story reads:

> If Americans are serious about curbing medical costs, they'll have to face up to a much tougher issue than merely cutting waste, says Brookings Institution economist Henry J. Aaron.
>
> They'll have to do what the British have done: ration some types of costly medical care — which means turning away patients from proven treatments.
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> Cutting billions worth of "pure waste" — in needless hospitalization, surplus beds, Cadillac-model machinery and superfluous tests — would only temporarily slow the growth in health spending, which now tops 10 percent a year, Aaron told a symposium sponsored by the American Academy of Physician Assistants last week in Reston.

Like Berwick, Aaron bolsters a zealous admiration for British- and Canadian-style healthcare, which are single-payer, socialized disasters – where medical rationing is common practice. Aaron and Dr. William Schwarz, a former professor at Tufts University School of Medicine, wrote a book in the 1980s, entitled *The Painful Prescription*, which analyzed how healthcare decisions in Britain contrasted with the way healthcare decisions were made in the United States.

The authors noted that many healthcare services in the United States were strictly rationed in Britain. "For example," the *Post* reported, "British doctors order half as many X-rays per capita as their American counterparts, and use half as much film per X-ray. They do one-tenth as much coronary artery bypass surgery. British hospitals have one-sixth as many CAT scanners and less than one-fifth as many intensive care unit (ICU) beds.... Half the patients with chronic kidney failure in Britain are left untreated — and die as a result."

The mantra of the British healthcare system, the authors contended, falls not on regulatory authority but in a contrasting view toward mortality and the scarcity of medical resources. Unlike American doctors, British doctors define "what is best" in terms of "what is available," Aaron alleged. It will be "a lot harder to move into this second stage of rationing in the U.S.," he warned back in the 1980s, because the American people are not ready to accept the inevitable result of limiting the growth in hospital spending.

All in all, Aaron believes the U.S. government's role in healthcare is too restricted, and it can only be assumed that he feels the same way about all entitlements. Indeed, Obama's new nominee to head the Social Security Advisory Board aligns perfectly with his political ideology that government exists to make decisions for the people — even decisions regarding life and death.