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## How Retirees Will Suffer Under the ACA



*What will the Affordable Care Act mean for retirees?*

**BUD HEBELER:** Retirees will be affected in several ways. Their premiums will have to increase because the Affordable Care Act requires insurance coverage for maternity care (which they don't need), no caps on the amount the insurers may have to pay, coverage for pre-existing conditions and care of 30 to 40 million people who are not now insured. Of course all of us will have to pay higher income taxes at some point to subsidize the insurance of low income people who will get either cash and/or tax credits. A number of States have expressed concerns about their increased costs for Medicaid recipients, now covering 62 million low-income people and growing. Those costs will have to be passed on through some form of State taxes.

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One of the worst consequences is not being able to find doctors who will take Medicare. There is already a shortage of such doctors because Medicare compensation is not only low but often delayed by a year or more so the doctors have to factor their accounts receivable.

The administrative burden on participating doctors increases because the ACA requires more detailed reporting as represented by about a tenfold increase in the number of medical treatments to report. Medical students are reluctant to become general practitioners because the compensation for specialists is significantly higher and will better cover their large student loans. More retirees will be seeing nurse practitioners rather than doctors as a consequence of doctor shortages. Some ACA plans may force people to choose a new doctor.

Everyone, including retired people, will see a significantly enlarged 1040 income tax form to include many personal health-care inputs so that the IRS can fulfill the ACA mandated surveillance. Many will be unhappy having this kind of information in the IRS database.

*Henry "Bud" Hebel was president of the aerospace division of Boeing Co. He has served on the board of MIT's Sloan School and currently focuses on the dissemination of free, sound financial planning on [www.analyzenow.com](http://www.analyzenow.com).*

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