

NATIONAL REVIEW

Tear Down State Barriers to Health Insurance

Create one vibrant market for medical coverage, from sea to shining sea.

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Why can't the Geico Gecko sell health insurance from coast to coast?

As President Donald J. Trump and congressional Republicans labor to repeal and replace Obamacare, they should demolish America's current maze of state-level health-insurance fiefdoms and replace it with a truly national market for health coverage.

Under the failing status quo, medical insurers tend to sell coverage in some — often many — but not always all 50 of these United States. Thanks largely to Obamacare and its 16,000 pages of regulations, Aetna, Humana, and United Healthcare largely have evacuated Obamacare's imploding state-level exchanges. Anthem soon might rush out the door. "If it pulls out," *CNN Money's* Tami Luhby reports, "more than 256,000 residents in Georgia, Kentucky, Missouri, Ohio, and Virginia would be left with no options."

Also, state-level insurance commissioners behave like border guards who decide which insurers can and cannot enter their jurisdictions. These regulators often demand that all health plans in their states cover non-life-and-death items, such as acupuncture, marriage counseling, in vitro fertilization, and other mandated benefits. Like obligatory sunroofs on all cars, such gold-plated requirements drive health premiums into the sky.

As part of repealing and replacing Obamacare, President Trump and other leading Republicans have promised to let Americans buy health coverage across state lines. A New Yorker, for example, could purchase a plan from, say, Arizona, with just the right blend of benefits, restrictions, and prices.

Republicans must keep this promise. The freedom to buy health insurance across state lines is central to successful Obamacare replacement and must be part of any legislation that Congress sends to President Trump's desk.

That alone would be a great start. But why stop there?

Here is a far better idea: Obliterate these lines altogether.

Beyond buying plan X from North Carolina or plan Y from Texas, why not liberate insurers to sell in *all 50 states* at once? Imagine having multiple plans with assorted benefits on sale everywhere in America.

This ultimate system of patient power and consumer choice would unleash the kind of competition that would stimulate innovation in this moribund industry. As a higher number of insurers vie for each patient's business, this would lower overall costs. Conversely, the "Affordable" Care Act is propelling a 25 percent hike in typical premiums, this year alone.

Also, creating large customer bases from across the entire country would spread the risk of insuring Americans with pre-existing conditions. Covering a diabetic is a smaller gamble within a national market's bigger, healthier population than among a smaller pool of state-level consumers, especially in such lightly inhabited places as Idaho, North Dakota, or Vermont. While a national health-insurance market is not the only solution, it would help address the nettlesome, and vital, challenge of covering those with existing ailments.

How might this idea fare in America's 50 state capitals?

"State insurance commissioners won't like it," *Forbes's* Avik Roy, M.D., recently predicted, "because it decreases their power when insurers can relocate."

Too bad. State-level insurocrats have thrived mightily since the McCarran-Ferguson Act of 1945 turbocharged their powers to oversee insurance.

Congress should use the U.S. Constitution's Interstate Commerce Clause to terminate these officials' veto power over which health insurers can enter their territories. Promoting the general welfare of all Americans, Congress should uproot these state-by-state health-insurance cartels and, instead, let a national medical-coverage market bloom.

"I'm a big fan of more competition rather than less, as our current markets are usually one or two providers and verging on monopoly instead of pure competition," said Representative Dave Brat (R., Va.). "The standard textbook model predicts that more competition gets you lower prices, better quality, more variety, and better service. That is the theory which we all know has worked in this country for over 200 years."

Cato Institute health-policy scholar Michael Cannon already is thinking beyond America's borders. He wonders: "Why not international health insurance?" Why not, indeed? If France's AXA, Germany's Allianz, or Japan's Nippon Life Insurance wants to provide health plans to American patients, come on down!

Until then, the Geico Gecko sells automobile, apartment, and flood insurance throughout the land. "The Rock" of Prudential markets life and disability policies from the Golden Gate to the Brooklyn Bridge. Freeing them and new players to offer medical coverage nationwide would be an important and welcome way to make health insurance great again.