



SARAH SIMONIS/FOR THE STAR-LEDGER

James Barone, of Wayne, yells at at Congressman Bill Pascrell, Jr., at a town hall meeting about health care at Montclair State University Thursday.

I was at Congressman **Bill Pascrell's** town-hall meeting on health care reform at Montclair State University last week when I turned on my laptop and discovered an e-mail from my nephew **Tim**.

He lives in California and is in his mid 20s. And that means he is among the many young Americans who will be forced to finance health-care reform -- whether they like it or not.

As I've noted in prior columns, the Democrats do not hide the fact that the young will be the cash cow for any reform scheme. Because young people are healthier than average, they will pay more in premiums than they consume in services. That's great for guys in their late 50s like me, but not so great for people in their 20s.

And some of them are figuring it out. The e-mail contained a link to [an article](#) posted on a couple of progressive blogs.

The author was **Robert Cruikshank**, whose biography identifies him as "an activist on progressive California causes."

Left-wing he may be, but Cruikshank's not stupid. After noting that Obama's health care reform plan is most popular among those in the 18-to-29 demographic, he notes the effect that plan would have on young people. He compares the views of a liberal think tank to those of the free-market Cato Institute.

"As much as it pains me to say this, the guy from Cato is right," Cruikshank writes. "Mandated insurance without a public option offers nothing of value whatsoever to younger people. That's because it's not designed to help us. It's designed to extract even more money from our already meager bank accounts and deliver us virtually nothing in return."

Precisely. Many young people have the mistaken belief that the Democratic plan would provide them cheap health insurance. Nope. That's the Republican plan. And I couldn't help but note how skillfully Pascrell dodged a question on that exact point.

When a woman asked why the plan doesn't permit people to buy health insurance across state lines, Pascrell ignored that part of her question and instead focused on something she'd said about tort reform -- an issue he also dodged with consummate skill. The man's a pro.

But the question of why the Democrats don't want to see an open market in health insurance is crucial to the plan's effect on the young. So after the hearing I called the guy from Cato, **Michael Tanner**, to discuss this.

Tanner told me that if young people could buy coverage across state lines, they could get some really good deals. That's because some states, such as Idaho, have few if any mandates for what is covered. A healthy 25-year-old can buy coverage from an Idaho company for a mere \$37.50 a month. That insurance has a very high deductible, \$5,000, and doesn't cover much. But young people don't need much coverage.

"Obama keeps talking about how little competition there is in the health-insurance market," said Tanner. "Well if he opened it up, young people who are computer savvy would go and buy insurance in Idaho."

Instead, the Democrats' plan call for setting a minimum standard that would apply in every state in the nation. It also calls for community rating, a system under which young people are charged an artificially high price so we oldsters can pay an artificially low price.

Bye-bye bargains. The kids become cash cows.

So why was the hall packed mainly with older people while the college kids outside walked by blissfully unaware of their fate? Perhaps the kids weren't

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Posted by **jbken** on [09/06/09 at 6:59AM](#)

Would be a drop in the bucket compared to what they're doing to the young on Social Security and Medicare now. At least there's a chance they might get something for their money this time around.

That's a demographic that doesn't pay attention giving government an open invitation to screw them when necessary.

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Posted by **galadrial** on [09/06/09 at 9:12AM](#)

Pardon me...but haven't we ALREADY handed the kids a whopping bill?

The bailouts were not exactly "planned expenditures", and the bill for those isn't near done. The "kids" will end up paying a portion of that in the future.

I have a friend who is opposed to nationalized health care, and has a daughter who at 26 has gone through two forms of cancer in the last 18 months. I am wondering when it will occur to her that her daughter will probably not have any kind of health care in the future...or none that anyone average in income can afford. Or perhaps just a bare bones policy that will omit "pre-existing conditions"...in this case cancer.

Young people get sick....even seriously ill. A good number work in jobs that provide nothing in the way of health insurance. Yet they start paying taxes with the first check they collect. Perhaps it would be nice to give them something back, that they might actually be able to use in their lives...instead of screwing their generation over for our CURRENT mistakes?

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Posted by **aarlistener** on [09/06/09 at 9:59AM](#)

The key phrase is "mandated insurance without a public option...."

So it appears he is saying he is in support of a strong public option. I think single payer would be best, but that's not in the cards.

As far as \$37.50 for insurance with a high deductible that doesn't cover much, it's a gamble. Why do you want to gamble with your health? It's not like those in their 20's never get cancer, heart attacks or strokes. Just read the post above this one.

So the 25 year old with \$37.50 insurance goes for a check up that is covered. The check up finds a small tumor that needs to be treated with chemo before it gets worse. But the insurance doesn't cover that and he can't get better insurance now because he has a pre existing condition. You call that a solution?

PM: This borders on a moron perspective. The cost of such treatment would obviously be well in excess of the \$5,000 deductible in that policy so he would be covered. He would just have to pay the first \$5,000, which is not a bad deal at all given the odds against his having cancer.

Also, read my prior posts on the public option. It would be group-rated as well and would be just as bad for young people.

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Posted by **saut** on [09/06/09 at 10:17AM](#)

I agree: "Mandated insurance without a public option offers nothing of value whatsoever". Moreover, private insurance offers no value to our health care system. The insurance industry swallows up 20 to 30 percent of our premiums to pay for their administrative costs, advertising, lobbying (1.4 million PER DAY), exorbitant CEO compensation, etc. If those dollars--money that we're already spending--went into paying for health care, it would be more than enough to cover all Americans for all medically-necessary health care.

On the other hand, mandated insurance would simply fuel insurance industry profits (more money for lobbying!) without providing relief for those who don't have health insurance because they can't afford it, or those who are paying insurance premiums but don't have enough money left over for co-pays and deductibles so they still don't get care.

Mandated insurance without, at the very least, a public option would harm those who ought to be helped and subsidize the already-profitable health insurance industry with our tax dollars.

BTW: Mr. Mulshine, I was at that MSU meeting, too. Bill Pascrell did answer the questions (though it was hard to hear over the screamers). The reason he gave for not buying insurance over state lines was that insurance is a state-regulated industry. Are you proposing federally regulated insurance? Or do you just want to make state regulations meaningless, and completely deregulate insurance? How much less regulation can we afford when 62 percent of personal bankruptcies in 2007 were due to medical bills and 75 percent of the medically bankrupt had insurance when they first got sick?

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Posted by **bobfas01** on [09/06/09 at 11:02AM](#)

Some comments about your article.

You gloss over the statement by Mr. Cruikshank, "Mandated insurance without a public option offers nothing of value whatsoever to younger people." Are you now more open to a public option?

You show no evidence that competition between health insurance companies will drive down costs. We know it has not happened in NJ. If you say that insurance companies will not have to have multiple sets of rules for each state that will drive down costs, will the reductions significantly reduce premiums? And does that mean you are in favor of federal regulation of health insurance companies? Or no regulation at all?

Lastly, how does an insurance company in Idaho provide health services in NJ? What will be the costs to set up a supporting infrastructure nationally to service it's clients? How will that affect premium costs?

People need to be asking questions about the details of all proposals. Unfortunately that is not happening enough and thoughtless hysteria seems to be the way to react to any health care proposal.

PM: I didn't gloss over anything. The reason I didn't mention the public option is that I have in the past pointed out that it is also designed to benefits the old at the expense of the young.

Also: How does an insurance company in Idaho provide services in New Jersey?

Duh! By mailing a check, the same way a life insurance company would.

This is obvious but if you just read my prior posts you will see why it is the case.

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Posted by **Griffin71** on [09/06/09 at 11:16AM](#)

I mean, if you think about it, UPS and FedEx are doing just fine, right? No, they are. It's the Post Office that's always having problems. President Barack Obama 08/11/2009.

Does anyone seriously believe the government can create an efficient and effective healthcare delivery service given the President's example of such a mandated government service such as which is plagued with

fiscal and operational problems.

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Posted by **Abitha** on [09/06/09 at 11:19AM](#)

Reform of health insurance could be done in a one or two page bill.

Much of 1,200 or so pages in the HR3200 proposal is vague, opening the door for legal intervention and further amendments in the future.

If the proposals were written in understandable language, most of the debate on what they say would be dissolved. I believe the vagueness and selected wording is by design. What better way to later grab even more government control from what would be left of the health care industry, and for that matter more control of our money?

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Posted by **z0rr0** on [09/06/09 at 12:55PM](#)

Absolutely right

Without a national program (single payer), the mandatory insurance for the young is a cash cow for the insurance companies. Pharma already cut its deal to milk the boomers for their old age medicines, without negotiated prices.

This is turning into another Wall Street bail-out. The low risk, high profit coverage will remain privatized and the high risk, high cost care will be insured by the tax payers.

When it comes to reform, how much better can it get?

By the way, the same Sunday Ledger where this column appears has a poll where 94% are satisfied with Medicare. Interesting how the pollsters did not bother to survey satisfaction with the insurance companies. I'd bet it is lower than Obama's numbers.

PM: I wouldn't put too much stock in that poll. Why wouldn't people be satisfied with a service they receive almost for free that is subsidized by younger people?

The pollsters should have asked the younger people how they feel about paying for old people's coverage.

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Posted by **chevy4x4** on [09/06/09 at 1:57PM](#)

Bad reader alert

How could someone read the above column and not know the answer to the question of why Idaho companies don't sell insurance in New Jersey?

Because it's illegal. That's the whole freaking point of the column.

Try harder, folks!

PM

If it were possible and profitable for an Idaho company to write insurance in NJ why doesn't it? Because of mandates. How is purchasing insurance over state lines going to work and who will regulate it?

A 37.50 per month insurance policy with a \$5000 deductible is alot cheaper than my ex's for her and 2 children and she has a \$5000 deductible. And that is with a major corperation. if avaiable I'll buy it tomorrow

Will someone answer how can insurance work and keep cost down if only the ones likely to collect pay in?

Any comparison between FED-EX, UPS and the USPS is flawed to start.Only the USPS is mandated to deliver to every resident and business every working day and Saturday. USPS can only close or change services with an act of congress. The others can do it based on bussiness requirements..