



Thought Rationing

Republican health care spendaholics gone wild.

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Two weeks ago, President Obama offered to cut several hundred billion more dollars out of the Medicare and Medicaid budget to help make room for health care reform. This sort of gesture ought to appeal to conservatives, right? Apparently not. The Heritage Foundation warned, "At a time when Medicare is dangerously close to bankruptcy, it is shortsighted to funnel funds into the creation of another government-run program instead of shoring up Medicare." A *National Review* editorial complained, "These cuts in Medicare and Medicaid payments are nothing more than reimbursement reductions with no empirical or economic basis to justify them."

No empirical basis to justify them? Since when do conservatives require an empirical basis to justify cutting social spending?

The health care debate has been presented as a conflict between spendthrift Democrats and skinflint Republicans. The reality is closer to the opposite. Conservatives may make up the strongest opponents of new government spending (to cover the uninsured), but they also make up the strongest opponents of cutting existing spending. Health care has become the new defense spending--a category of public outlay that the right has trained itself to defend in even the most wasteful iterations.

The U.S. health care system, as you probably realize, is a vast cesspool of waste. We spend nearly twice as much on health care as the average advanced country and have no better results to show for it. Alas, every dollar of what we call waste is what somebody in the industry calls "income." So anything that makes the system more efficient makes somebody unhappy, and that somebody has a team of lobbyists.

This may help explain why conservatives have embraced the rather unlikely cause of stopping cuts in Medicare payments to doctors and hospitals. It would also explain the conservative attachment to "Medicare Advantage"--the program created in 2003 that enrolls some Medicare prescription-drug recipients into private insurance rather than traditional Medicare. Medicare Advantage costs \$922 more per recipient than traditional Medicare, which makes it a lucrative boondoggle for the insurance industry. Conservatives defend it on the grounds that it offers "better benefits and better value," as the Heritage Foundation puts it.

So the right defends having the government shell out more money in order to have (allegedly) better entitlement programs. Even the staunchest free marketers have started to sound like the AARP. The Cato Institute's Michael Cannon protested that Obama "ought not begin the [health care reform] effort by proposing to take something away from seniors, America's largest and most politically active voting block."

And then you have the conservative apoplexy over "comparative effectiveness research," or CER. Right now, the federal government has little solid information to help figure out what treatments to fund under Medicare. That's one reason why Medicare winds up finding so many unnecessarily costly medical interventions like expensive copycat drugs--or even interventions that do no good at all. In the stimulus bill, Obama got \$1 billion to fund comparative-effectiveness research, which, as you may have deduced, helps compare the effectiveness of different medical interventions.

GOP Senate Minority Leader Mitch McConnell is co-sponsoring a bill to prohibit federal health care programs from using this research. Fellow Republican Jon Kyl, the bill's sponsor, demands that CER not be used "to deny coverage of an item or service under a federal health care program." The really silly thing here is that Medicare already has the ability to deny coverage for services it deems cost-ineffective. CER would merely arm the government with facts to make better-informed decisions.

But suppose the Republicans are right. Suppose that, right now, Medicare must underwrite any medical intervention, even ones that cost ten times as much as equally effective alternatives, and CER would eliminate this free-spending practice. Let's even suppose that the research gets perverted by cold-hearted bureaucrats who decide to deny Grandma her federally funded hip replacement. Wouldn't you expect the Ted Kennedy bleeding-heart crowd, rather than the likes of Rush Limbaugh, to be raising the alarm against the heartless, tight-fisted government? Something curious is going on here.

Conservatives CERTAINLY have understandable ideological reasons to oppose the Obama health care reform as a whole. It's the particulars of their opposition that arouse curiosity. The right has presented its opposition to health care reform as principled disagreement with "big government." But opposing "big government" can mean different things. Does it mean opposition to regulation? To spending? To the direct funding of public services as opposed to via private sector middlemen? The Republican Party and its ideological allies have defined it increasingly as whatever suits the profitability of the health care industry.

It's not that every conservative apparatchik is walking around Washington toting a suitcase of Pharma cash and a conspiratorial grin. Intellectual corruption doesn't work that way. The health care industry has spent vast sums to influence politicians and opinion leaders, mostly on the right. Health care is an issue where precious few conservatives have paid any attention to the details of policy. And the industry is a natural ally of the conservative goal of preventing single-payer health care. So the industry has managed to define its self-interest as the conservative position on health care.

If health care costs continue to rise at current rates, by 2040, the share of GDP consumed by Medicare and Medicaid will nearly quadruple. Meanwhile, conservatives have decided that the worst thing that could be done to these programs would be to "ration" them. When Medicare recently decided not to fund one kind of colonoscopy, a *Wall Street Journal* editorial warned darkly that "the program's central planners decided last week to deny payment." Imagine--central planners limiting the benefits of a social program! Why, it's one step from socialism.

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