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SENATE DEAL: CHANGE A FEW NAMES

By MICHAEL TANNER

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THE "compromise" health-care reform being negotiated by six members of the Senate Finance Committee is shaping up as a classic warning of the dangers of bipartisanship without principles: It looks like they'll keep the worst features of other ObamaCare bills -- but simply change the names.

Finance Committee Chairman Max Baucus (D-Mont.) and Sens. Kent Conrad (D-ND), Jeff Bingham (D-NM) Charles Grassley (R-Iowa), Olympia Snowe (R-Me.) and Mike Enzi (R-Wyo.) are reportedly putting the final touches on a bill that may save President Obama's chances for passing health-care reform this year.

The proposed bill is forthright on still containing many of the worst aspects of ObamaCare. It would mandate that all Americans buy insurance -- and not just any insurance, but a specific government-designed set of benefits, even if that package was more expensive or contained benefits that you didn't want.

It would impose costly new regulations on insurance that could drive up premiums, especially for younger and healthier Americans. It would set the stage for government interference in how doctors practice medicine. It would extend subsidies for health care well into the middle-class, making millions more Americans dependent on government. And it would pay for all this with huge tax increases on American workers and businesses.

In exchange for this pu-pu platter of bad ideas, it offers two supposed compromises.

First, instead of a government-run "public option," it would set up a nationwide health-insurance co-op.

Now, if this was really going to be a co-op like rural electrical co-ops or your local health-food store -- owned and controlled by its workers and the people who use its services -- it would be a meaningless but harmless diversion. America already has some 1,300 insurance companies, so it's hard to see what one more would add, but it would be unlikely to do much harm.

But these *aren't* true co-ops. The members wouldn't choose its officers -- the president would. Plus, the secretary of Health and Human Services would have to approve its business plan, and thus could force it to offer whatever benefits, premiums and reimbursement schedules Washington wants. Finally, the federal government would provide start up, and possibly ongoing, subsidies.

A "co-op" *run* by the federal government, under rules imposed by the federal government and with federal funding is simply government-run health insurance by another name.

Or, as Senate Majority Leader Harry Reid put it, "We're going to have some type of public option, call it 'co-op,' call it what you want."

The Senate compromise also drops the job-killing employer-mandate that businesses provide their workers with health insurance or pay a penalty -- and substitutes a *more* regressive employer mandate.

The compromise would have no *spe cific* mandate for employers to provide insurance. But any employer who failed to do so would have to pay the cost of all subsidies that the government provides his or her workers to help them pay for insurance on their own.

It is hard to see how this is different from any other employer mandate -- except that it will hurt low-wage workers most.

Business owners care about the total cost of hiring a worker, not how that cost is apportioned between wages, taxes, health insurance or other benefits. If they have to pay the cost of subsidizing health insurance for their workers, employers will simply offset the added cost by lowering wages, reducing future wage increases, reducing other benefits (such as pensions), cutting back on hiring, laying off current workers, shifting workers from full-time to part-time or outsourcing.

It will ultimately be the worker who pays the subsidy's cost. The government will be giving the worker a subsidy with one hand, and taking it back with the other. Does that make sense for any reason other than "compromise?"

If this is what bipartisanship looks like, give me some old fashioned partisanship any day.

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