



ObamaCare's Contraceptive-Coverage Mandate

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My Cato colleague [John Cochrane](#) – who is way smarter than I am — has a generally excellent [op-ed](#) in today's *Wall Street Journal* on ObamaCare's contraception mandate:

Salting mandated health insurance with birth control is exactly the same as a tax—on employers, on Catholics, on gay men and women, on couples trying to have children and on the elderly—to subsidize one form of birth control...

The tax rate and spending debates that occupy the media are a small part of the effective taxes and spending that the government achieves by these regulatory mandates...

The natural compromise is simple: Birth control, abortion and other contentious practices are permitted. But those who object don't have to pay for them. The federal takeover of medicine prevents us from reaching these natural compromises and needlessly divides our society...

Sure, churches should be exempt. We should all be exempt.

My only quibble is with his claim, "Insurance is a bad idea for small, regular and predictable expenses."

That's generally true. But medicine is an area where, potentially at least, small up-front expenditures (e.g., on hypertension control) could prevent large losses down the road. So it may be economically efficient for health plans to cover some small, regular, and predictable expenses. Both the carrier and the consumer would benefit. In fact, that would be the market's way of telling otherwise uninformed consumers, "Hey! Controlling your hypertension is a really good for you!"

And really, if someone is so risk-averse that they want health insurance with first-dollar coverage of *everything* – and they're willing to pay the outrageous premiums that would accompany such coverage — why should we take issue with that?

ObamaCare's contraceptive-coverage mandate demonstrates that government does a horrible job of picking only those types of "preventive" services for which first-dollar coverage will leave consumers better off. But I also think advocates of free-market health care generally need to let go of the idea that health insurance exists only for catastrophic expenses.