American Thinker
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June 16, 2009

When a government mandates health insurance

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It has been often said that the 50 individual states are an incubator for new ideas and policies. In Massachusetts, we have an insight to what happens when a government mandates that everyone must have health insurance and thus gets into providing health insurance. In 2006 Massachusetts passed a pioneering health care package which has resulted in a steady spiral into a government-run health care system.

In an excellent briefing paper by the Cato Institute () entitled "Massachusetts Miracle or Massachusetts Miserable" Michael Tanner outlines the consequences of the adoption of the Obama plan which is remarkably similar to the Massachusetts model.
Some highlights:

> Health care costs continue to rise much faster than the national average. Since 2006, total state health care spending has increased by 28%. Insurance premiums have increased by 8-10 percent per year, nearly double the national average.
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> New regulations and bureaucracy are limiting consumer choice and adding to health care costs.
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> Program costs have skyrocketed. Despite tax increases, the program faces huge deficits. The state is considering caps on insurance premiums, cuts in reimbursements to providers, and even the possibility of a "global budget" on health care spending-with its attendant rationing.
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> A shortage of providers, combined with an increased demand, is increasing waiting times to see a physician.
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> When the Massachusetts reforms first became law (2006), they were projected to cost about $1.56 billion per year in total. The entire reform act was projected to cost more than $1.9+ billion in 2009.
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> The state may even resort to explicit rationing. In 2008, the legislature established a special commission to investigate the health payment system in a search for ways to control costs. In March 2009, the commission released a list of options that it was considering, including "excluding coverage of services of low priority/low value under insurance plans offered through Commonwealth Care. Along the same lines, it has also suggested that Commonwealth Care plans "limit coverage to services that produce the highest value when *considering both clinical effectiveness and cost*".

Michael Tanner summarizes: "Three years of experience shows that giving the government greater control over our health care system will have grave consequences for taxpayers, providers, and health care consumers. That is the true lesson of the Massachusetts model." We need not listen to Obama's doublespeak on his plan, or look to the Canada to see the results of national health care, we have only to look to the home state of ted Kennedy.

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