Sign In | Register Now

The Washington Post

TODAY'S NEWSPAPER Subscribe | PostPoints

NATURAL GAS.

It's the Natural Choice - Now.

www.anga.us Click here to learn more.

anga

NEWS POLITICS OPINIONS BUSINESS LOCAL SPORTS ARTS & LIVING GOING OUT GUIDE

JOBS CARS

REAL ESTATE RENTALS

CLASSIFIEDS

SEARCH: Try Our New Search

| Search Archives

washingtonpost.com > Business > U.S. Economy > Ezra Klein



Ezra Klein

Economic and Domestic Policy, and Lots of It

Romney Care, cont'd

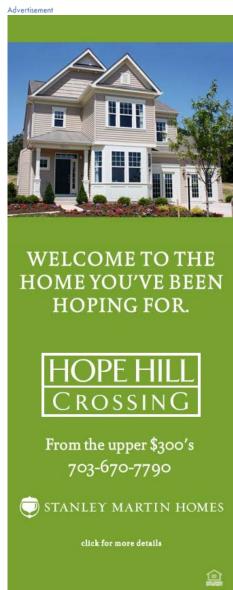


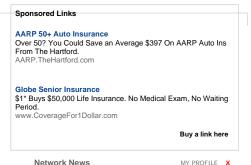
I'm a few days late -- at least in Internet time -- in responding to Michael Cannon's post on the Massachusetts health-care system, so apologies for that. Let's start with an important technical question: I said that "the [cost] increase in Massachusetts has been 21 percent, while the increase in the rest of the country has been 21 percent," and Cannon says the "premiums rose faster [in Massachusetts] post-RomneyCare than anywhere else; 21-46 percent faster than the national average." So who's right?

I think I am (though I would think that, wouldn't I?). Cannon doesn't mention this, but the data he's using comes from the Commonwealth Fund, and it covers 2003 to 2008. The problem is that Romney Care was signed into law in 2006. What you'd really want is data covering 2007 to 2009. Luckily, we have some.

First, look at the official Massachusetts data on the cost of the median employer's family policy (slide 24, and pdf). Between 2003 and 2005, costs rise by 16 percent. Between 2005 and 2007, it's 14 percent. Between 2007 and 2009 -- the Romney Care years -- the growth is 10.1 percent. So there's a clear slowdown. And don't forget that a lot of people got covered and the plan remained very popular.

To compare it with the national situation, we can look at the Kaiser Family Foundation's survey of mean -- not median, so these aren't directly comparable -- employer premiums. Check page 32 for the data. Growth rate from 2007 to 2009? About 10.4 percent. The mean-tomedian thing makes the two less than comparable, but it certainly looks like the introduction of Romney Care marked a cost slowdown in Massachusetts and potentially slower growth than in the rest of the nation.







Now, on to other matters. Cannon criticizes me for saying that the Massachusetts plan was never built to control costs by noting that Mitt Romney said otherwise. Luckily, I'm not bound by Romney's political rhetoric and can just look at the policy instead. And the plan just doesn't have serious cost controls in it. If Romney exaggerated the virtues of his plan, well, that's his problem, not mine.

This has gone on long enough, so let me just respond to Cannon's overarching conceptual point. He's making an argument about the cost of different health-care plans underneath the headline "RomneyCare Advocates: We Swear, This Time Centralized Planning Will Work." But even a cursory read of the evidence would show that whatever the drawbacks of central planning, it covers people at an extremely low cost.



Like	3 people like this.

Comments

sector innovation and public sector regulation. It doesn't replace private hospitals

SUBSCRIBE

Select ...

MORE ON HEALTH CARE

Daily Dose

Tracking the Debate Over Health Care Reform

- A closer look at Lieberman's argument against expanding Medicare
- Democrats move toward dropping medicare expansion
- UnitedHealth urges employees to participate in lobbyist seminar

MORE ON THE ECONOMY

Political Economy

Politics, politicians, big business and the economy

- Christina Romer for San Francisco Fed chief? Just maybe
- Top Barney Frank aide heading to Treasury Economic Agenda:



Post a Comment