

HSAs should be among alternatives to Obamacare

OUR VIEWS Growing evidence they help with costs

The Oklahoman Editorial [0 Comments](#)

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ONE of Obamacare's key weaknesses is that it doesn't control rising health care costs. The president's proposed health plan would cover millions of uninsured Americans by raising taxes and taking money from a part of [Medicare](#), but it doesn't tackle cost.



In this Jan. 19, 2010 file photo, Indiana Gov. Mitch Daniels is shown in Indianapolis. (AP Photo/Darron Cummings, File)

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While covering the uninsured is a nice idea, most Americans are mainly concerned with the increasing cost of medical services that translates into higher health care premiums.

With Democrats apparently poised to make a Light Brigade-like charge into the midterm congressional elections aboard Obamacare, Republicans should sharpen their focus on measures that control costs, which in the long term will increase access to insurance.

One idea is health savings accounts, or HSAs. Democrats scorn them as a boon to wealthier Americans, but evidence is growing that they work and help control costs. Writing for [The Wall Street Journal's](#) editorial pages, [Indiana Gov. Mitch Daniels](#) touts his state's HSA option, which is used by 70 percent of the state's 30,000 employees.

The state deposits \$2,750 a year into an account controlled by the worker, who uses it to pay his health bills. [Indiana](#) covers the premium for the plan. Money left over each year belongs to the

employee, and Daniels writes that an independent study has shown people aren't skipping needed services, such as routine physicals or mammograms. Savings to the state will be about \$20 million this year.

The cost-savings dynamic is obvious. When there's a connection between services and cost, people have incentive to seek the best price and not over-consume, which works to curb the cost spiral. That's in contrast to Medicare and some private insurance, which insulate consumers from true cost and actually encourage overconsumption and higher spending.

[The Cato](#) Institute's [Michael Tanner](#) writes that of every health care dollar spent in the [United States](#), just 13 cents is borne by the consumer. About half is paid by the government and the rest by private insurance. "If every time you went to the grocery store, someone else paid 87 percent of your bill, not only would you eat a lot more steak and a lot less hamburger — but so would your dog," Tanner writes. "And food costs would go up for everyone."

Of course, that's what's happening with health care, and Obamacare wouldn't change that. Cost will never be controlled by "top-down balloon-squeezing by insurance companies or the government," Daniels writes. "There will be no meaningful cost control until we are all cost controllers in our own right."

It's a message more Republicans should spread with an American public restless with Obamacare.

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Read more: <http://newsok.com/hsas-should-be-among-alternatives-to-obamacare/article/3443121#ixzz0h215uyHZ>