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Commentary

Leave Lieberman Alone

Alan Reynolds, 12.15.09, 4:35 PM ET

Health care histrionics reached a fever pitch in some recent press attacks on Connecticut Sen. Joe Lieberman.

New York Times columnist Nicholas Kristof singled out Lieberman in "Are We Going to Let John Die?" It was an emotional story about John Brodniak, a former sawmill worker suffering from bleeding in the brain and seizures.

Kristof wrote: "If Joe Lieberman or other senators ... strolled indifferently by as John retched in pain, we would think that person pitiless. But isn't it just as monstrous for politicians to avert their eyes, make excuses and deny coverage to innumerable Americans just like John?"

Human interest stories are sure to get readers' sympathy. But emotion is no substitute for common sense. In reality, John Brodniak's situation has nothing to do with Sen. Lieberman's objection to a government-run "public option." Mr. Brodniak *already has* a public option--namely, *Medicaid*. His real problem, Kristof reveals, is that "he hasn't been able to find a doctor who will accept him as a patient for surgery, apparently because the [Medicaid] reimbursements are so low." Brain surgeons are scarce, and you get what you pay for. Medicaid won't pay, so John won't get one.

Ironically, Congressional Democrats plan to shove at least another 13 million more victims into Medicaid--the same dangerous scheme that threatens John Brodniak's life. Contrary to the author's intent, what John's story demonstrates to "members of Congress who are wavering on health reform" is that they should stop wavering and start speaking out against the foolhardy and potentially homicidal expansion of Medicaid.

Senate Democrats also propose using taxpayer money to bribe people as young as 55 to settle for Medicare--another public option increasingly shunned by top doctors as noted in an April 2 *New York Times* report, "Doctors are Opting Out of Medicare."

The inevitable result of pushing so many more people into the sinking boats of Medicaid and Medicare, as some *New York Times* writers proudly boast, is that there would be more and more *rationing by politicians and bureaucrats* using "expert panels" as political camouflage. It will make no difference to people like John whether the results are called a "death panel" or death by allowing government officials to decide "who gets what and when" with respect to inherently scarce medical skills, drugs and facilities.

A recent *Washington Post* headline says, "Lieberman riles many with role in health care debate," by Lois Roman and Alec MacGillis. These opinionated "reporters" claim Lieberman's worry that a public option would soon be bailed-out by taxpayers, like Fannie Mae and Freddie Mac, "is at odds with independent assessments. Under the Senate and House bills, those without employer-provided coverage would get income-based government subsidies to help buy coverage in a new insurance marketplace. The case for the public option is to reduce the cost of those subsidies by forgoing profits and reimbursing providers at lower rates, and by driving private insurers' rates lower via competition. A strong public option would lower the bill's cost by tens of billions of dollars, the Congressional Budget Office found."

Huh? What the Congressional Budget Office (CBO) actually said is that the public option "would typically have premiums that are somewhat higher than the average premiums for private plans." Higher premiums means the public plan would have trouble attracting more than 3-6 million customers, according to the CBO. That competitive problem would become an impossible disadvantage if the public plan tried to shortchange physicians and hospitals, forcing the best providers to shun the plan for the same reason highly skilled brain surgeons shun Medicaid (the CBO assumes the public plan could not dare to make such suicidal blunder).

The CBO prediction of government-run plan beset with high premiums, a thin list of providers and few customers makes good economic sense. But that also makes it *politically* unlikely to be the final outcome. Such a failed experiment would be so

embarrassing for its architects (Congressional Democrats) that they would surely rush to provide endless and escalating "emergency" subsidies to disguise the blunder.

Once armed with subsidies and subsidized loans (plus tax exemption the nonprofit "Blue" plans don't share), a bailed-out public plan could seriously threaten the survival of private insurance plans struggling under the onerous new taxes, mandates and regulations. Jeff Goldsmith, the insightful health futurist, suggests that, "Launching a new public plan into the health insurance industry at this moment, would be like lobbing a grenade into a room full of flu victims. The damage would be unpredictable, instantaneous, and possibly irreparable."

Medicaid and Medicare are examples of what medical authoritarians describe as a "robust" plan. As a Nov. 29 *New York Times* editorial put it, "a more robust public plan ... would have had the power to virtually force doctors to serve its beneficiaries--at Medicare rates that are typically [25-30%] less than private plans pay them.

The fundamental difficulty with this illiberal fantasy of a "robust" public plan is that the nation abolished slavery in 1865. As a practical matter, the House bill's public option is just for individual policies, which account for a minuscule fraction of any doctors' business. If such a government plan tried shortchanging doctors as Medicare does, most good physicians and many hospitals would refuse to accept that insurance. So the plan would never attract enough enrollees to reach viable size, much less gain market share. The CBO thinks a public option might get 3-6 million enrollees if it paid doctors as other insurers do. If such a "robust" public option offered doctors 25-30% less, it could not possibly attract enough providers to even be a serious option.

Government effort to "virtually force doctors" to work for peanuts are the reason John Brodniak hasn't been able to find a doctor who will accept him as a patient for surgery. Public health insurance can be lethal.

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