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## EDITORIAL: Bull's-eye on their next target

Reps. Henry Waxman, D-Calif., and Bart Stupak, D-Mich., have sent letters to an estimated 52 insurance companies asking them to provide detailed information on their company-funded executive conferences and retreats, as well as executive and board member pay for those making more than \$500,000 a year, Fox News reports.

The congressmen also want data on the firms' annual sales, net income and dividend payments, including detailed profit breakdowns for all health insurance products the companies have sold.

"The letter comes in the midst of a campaign by Democrats to portray the insurance companies as the villains of the health-care system," reports Elizabeth MacDonald of Fox Business. "The move could be a back-door arm-twisting measure to remind insurers that opposition to changes to health care could lead to long investigations of the way they do business."

Attacks on the insurers, spotlighting supposedly lavish executive pay, have picked up in recent weeks. One such ad, paid for by the union-sponsored organization Americans United for Change, says "Ed Hanway, CEO of insurance giant Cigna, makes \$12.2 million a year. That's \$5,883 an hour. Ed makes more in one day than the average American makes all year long."

Leave aside the fact that Americans used to revel in seeing people work hard and get ahead. What about the notion that Mr. Hanway was hired and his salary set by the board members of a private firm who answer to private stockholders?

If the answer is more competition, fine. Let Congress pass a law requiring states to allow residents to buy health insurance across state lines, with any coverages they desire -- no mandates.

The high-handed approach of Reps. Stupak and Waxman may be well-designed to put fear in the hearts of insurance executives and boards of directors, inviting images of crazed mobs with torches shouting "Get 'em! They're rich!" But the problem with this approach as a matter of economic policy is that the Congressional Budget office already looked into the impact of industry profits on premiums, last December, and found that impact was less than 3 percent.

Nor is it at all clear that turning the insurance business over to the government would trim costs by that 3 percent. Michael F. Cannon, author of "Healthy Competition: What's Holding Back Health Care and How to Free It," looked into this question for an Aug. 6 Cato Institute report and concluded: "Profits are an important market signal that increase efficiency by encouraging producers to find lower-cost ways of meeting consumers' needs."

The Medicare Payment Advisory Commission estimates it made \$10.4 billion in improper Medicare payments in 2008. Government bureaucrats with guaranteed paychecks just don't do much about fraud and mistakes. This "may raise its overall spending relative to a more tightly managed approach," the CBO reports.

But the larger point here is how quickly congressmen have puffed themselves up with the delusion that they can call virtually any industry on the carpet, set their union allies to work maligning them as greedy fat cats, and promptly cast aside the competitive free market -- the system that made

ours the most prosperous nation in the world.


Where does Congress find the constitutional authorization to drag in executives of any industry they wish to take over, insisting those private parties lay out their firms' proprietary financial information?

Up till now, the excuse had been "They took taxpayer bailout funds." But Fox News reports "So far, the health insurance industry has not received bailout money."

If Congress can attack this industry just because it would like to take it over -- even after the CBO warned the planned government system would be more costly, would cause 15 million Americans to lose their current coverage, and would still leave 16 million Americans uninsured -- what industry will the congressmen feel free to attack next?

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