



Local News

Health care reform: Cato scholar calls for competition, fewer job-based plans

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By Tony Lascari
tlascari@mdn.net

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Cato Institute senior fellow Michael Tanner told Midlanders Tuesday that the health care system needs more competition and should break away from the employer-based plans in place today.

Tanner spoke at Northwood University to a full crowd of students and community members at the Griswold Lecture Hall. Tanner coordinates research on a variety of domestic policies including health care reform at Cato Institute, a think tank that promotes debate on limited government, free markets and individual liberty.

"I do think we need reform in the health care system," Tanner said. "There are problems."

But, Tanner doesn't want good things about the system -- its innovation, quality and variety of choices -- to be undermined while addressing the high costs, limits to access and the uninsured.

People temporarily without insurance in between jobs account for many of the 46 million people labeled as uninsured in the United States, Tanner said. He said linking health care to jobs is a mistake that should be corrected, so people don't lose their insurance when they lose their jobs.

"That's a real problem," he said. "But maybe it's a problem with a different solution than if we assume it's this big group of people who will never have insurance."

He said the tax system should change to give individuals the same tax break as they would get under an employer-based system, which would make insurance personal and portable.

"We also need much more competition in health insurance and health care providers," he said.

Tanner also called for an expansion of health status insurance so healthy people can protect against future illness, expanding the high risk pool to cover people with high cost medical care and give Medicare enrollees a flat amount of money to buy private insurance from an open market.

The proposals in Congress include a bill that's seen three different versions in the House of Representatives and two different versions in the Senate with another being crafted, Tanner said. President Obama's administration has also provided an outline of its priorities for the legislation.

Common components include a mandate that all individuals buy insurance, a mandate that employers must offer insurance, the creation of an insurance exchange for buyers to compare policies, more subsidies and Medicaid expansion, Tanner said. He said a public option or co-op program also remain in the mix of possibilities.

His concerns with the current bills include that not all people will actually be able to keep the insurance they have, any option will cost a lot more than estimates project and personal control of health care could be eroded.

He said a public option for insurance wouldn't promote competition, but kill it.

"I'm not totally convinced this is going to pass," he said, saying the odds are 50-50 that it'll pass or fail completely.

To Tanner, the debate comes down to one question: Who do you want to decide on your health care?

"I think whenever possible, the money, the power and the decisions should rest with the individual because it's your life, not theirs," he said.

Tanner said people concerned about health care should contact their members of Congress to share their thoughts.

"They really do listen to you," he said. "The second thing you need to do is spread the word."

William Freeland, a Northwood senior from Montague who is president of the NU Economics Association, said there are lots of claims about the health care bills and it can be hard for people to keep the ideas straight. Students for a Free Economy, Northwood and the Economics Association sponsored the visit.

"Health care is the big time issue right now," Freeland said. "We wanted to raise the level of discourse on political issues."

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