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Voters souring on health reform

No wonder the Obama administration wanted the House to finish work on its health care bill before the summer recess. The more people learn about the legislative blob slouching toward passage, the less they like it.

In a recent Rasmussen tracking poll, opposition to health care reform as proposed by President Obama and the congressional Democrats had risen to 54 percent. Support dropped to 42 percent.

The bill recently endorsed by the Senate Finance Committee was hailed by some as more reasonable than the House versions, yet all these bills share provisions that will dramatically raise costs.

For example, under the Senate Finance Committee bill, insurance companies must sign up everyone who wants a policy and companies can't vary premiums based on the customers' risk profiles. Those are the very provisions that caused premium rates to mushroom in New York state.

And the bills impose mandates requiring everyone to buy health insurance, a rule that will lead to a de facto government takeover of the industry. If the government decrees that health insurance must be purchased, then it must say what kinds of policies are acceptable.

President Obama has said that if you like your coverage, you can keep it. But over time, tens of millions of people -- especially those now buying on the individual market -- will be forced into more high-dollar policies or ordered to pay a additional tax if they decline.

It's already happening in Massachusetts, which enacted a grab-bag of rules similar to those in bills supported by congressional Democrats.

Massachusetts resident Wendy Williams, writing recently in The Wall Street Journal, told how new state rules made her bare-bones policy unacceptable.

She and her husband were told to buy a pricier policy or pay \$1,000.

"We hadn't imposed our health care costs on anyone else," she wrote, "yet we were being fined."

There are varying estimates for how many people will face a similar choice if Congress passes health reform. A major issue is what proportion of medical claims must be covered by insurance plans, rather than through deductibles or co-insurance.

As Michael Tanner wrote in a recent Cato Institute paper, bills backed by congressional Democrats would require a level of coverage -- "actuarial value" -- of around 70 percent. If that finds its way into the final legislation, tens of millions of people could be forced into costlier policies.

Many employer plans, and most plans in the individual market, don't offer coverage that comprehensive.

All of this runs counter to deep trends in the economy. For years, we have been moving from the centralized industrial state that John Kenneth Galbraith wrote about in the 1960s, to an economy based on decentralized, market-based models exemplified by the dramatic shift from mainframes to personal computers. Power and information has been moving from large institutions down to individuals.

Real health care reform would leverage these trends. Agreed: The system is flawed. Appropriate reform would require a lot of help from the taxpayer.

But if we must subsidize, why can't it be done in a way that does more to move the power of choice to individuals?

Take the tax breaks from employers and give them to the people. Let them escape the insurance cartels imposed by many state governments and buy health insurance offered in other states.

Fifteen years ago, in the midst of an earlier health care reform debate, the Congressional Budget Office observed: "A mandate requiring all individuals to purchase health insurance would be an unprecedented form of federal action."

"The government has never required people to buy any good or service as a condition of lawful residence in the United States."

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