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Obama's address to Congress: How did he do? Does it change anything?

Livechat at noon with Heritage Foundation healthcare expert Stuart Butler

Sept. 10 2009

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Roger Pilon, Vice President for Legal Affairs, Cato Institute:

President Obama promised much this evening, but he was utterly unconvincing when it came, finally, to how we'd pay for it. He promised that no one, including those with pre-existing conditions, would be rejected from coverage. But those are precisely the people who incur costs far in excess of whatever premiums they might be required to pay. Like those who think they can buy fire insurance after their house catches fire, such people defy the insurance principle - which is why they're "uninsurable." And he promised, among much else, that there would be no annual or lifetime caps on

coverage.

All of that means higher premiums if the private insurance companies are to be able to provide those additional benefits - or any of the other benefits he promised. Yet the president plans to tax those very companies to offset the costs of his "public" plan, whatever that turns out to be (on that he was deliberately vague), all the while promising not to raise taxes or the deficit. And he'd get additional "savings," he said, from eliminating waste, fraud, and abuse - the siren song of every government reformer.

To those of us who can separate the details, such as they are, from the soaring rhetoric, this scheme is all smoke and mirrors. If all that the president promised were possible, at the price he promised, it would already have been done by the private sector - which, unlike government, has a direct incentive to do it. Medicare, which the president holds up as the model, is going broke. Is there any reason to believe that this scheme will be any different? What will be different is that it will drag in everyone, so there will not be, if this scheme fails, the under-65-age population to bail out senior citizens, as will be the fate of Medicare just down the road. And the president said as much: "We're all in this together." Dare I say it? That's what "socialism" is all about. There, I've said it.

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