

## Cato Institute scholar to Northwood: Health care reforms 'hell in an insufficient handbasket'

By The Saginaw News  
October 29, 2009, 5:24PM



[View full size](#)

MIDLAND — The proposed government-supported health care system amounts to a poor and insufficient system for redistributing wealth, Cato Institute policy scholar Michael D. Tanner said this week in Midland.

"You can't give more stuff to more people for less money," Tanner told a crowd of about 500 during a speech at Northwood University.

"President Obama says the health care system is broken. I don't disagree. (But the) solution? Not so much," he said.

Tanner leads domestic-policy research at the libertarian Cato Institute, based in Washington, D.C., where he focuses on health care reform, social welfare policy and Social Security.

The government suggests health care would cost less under the new plan, but Tanner argues that the proposed legislation won't work because of increased taxation needed to support the new health care system.

Tanner displayed several charts and graphs outlining the increased tax and government deficit that would ensue if the plan is implemented.

"We're going to hell in an inefficient hand basket," he said.

Instead of having a publicly-funded health care plan, Tanner favors a direct government subsidy program to help people find better and more complete health care instead of relying on government aid or employer-funded plans.

People cycling in and out of the employment system also cycle in and out of the health system, and they would benefit from direct health care subsidies rather than remaining in one system or another, Tanner said.

"That's a transparent subsidy and everyone can look at it," Tanner said.

Tanner also said an experience rating of health care providers would reduce malpractice insurance premiums.

A government-run health care plan would decrease competition because the government would not allow fair competition with private profit-based health insurance companies, Tanner said.

If the public system goes broke, the government will never let it go out of business, he said. Competition drives down costs, especially allowing access to health insurance companies across state lines, he said.

"We don't really have a market for health care in this country, so we don't know how much we really want to spend," Tanner said. "Maybe we don't spend enough; that's a matter of preference."