


LOG IN or JOIN NOW to Shape Your News


Search in E.D. Kain

Active Topic: **Politics**

53 mins ago **The groundswell against banks comes to Chicago**

Yesterday **Pearl Jam and REM Say 'No!' to Guantanamo**

 **LAURIE ESSIG**
Class Warfare

 **ARSALAN IFTIKHAR**
The Muslim Guy



E.D. KAIN

AMERICAN TORY

[MY PROFILE](#) [MY HEADLINE GRABS](#) [MY RSS FEED](#)

Oct. 24 2009 - 4:03 pm | 31 views | 1 recommendations | 1 comment



Ronald Bailey on competition and health care

To follow up on my last post a bit, [here's some words of wisdom](#) on markets and competition from Reason's Ronald Bailey:

This cost-reducing dynamic works in most other areas of our economy, so why not in health care?

One of the chief problems is that consumers haven't a clue about what their insurance and medical services cost. Hospital chargemasters (essentially comprehensive lists of all charges) typically contain prices for over 20,000 items and services. Sorting through those lists for the best prices would be impossible for consumers. But why should they have to? In markets, the proper dictum is that "nobody has to know everything." Markets are superb at gathering widely dispersed information and resources from millions of people and firms and then distilling that information into prices.

When someone buys a car, they are not confronted with a bill listing separate prices for pistons, radiators, assembly line screw tightening, seats, gas tanks, windows, and so forth. Nor when they buy a hamburger are the prices for the beef, bun, wrapping paper, and special sauce listed and charged for individually. The market has bundled those separate items together into a single price. Competition sparked by consumer demand could unleash a similar simplifying dynamic in which prices for health insurance and medical services become bundled and more transparent.

So what kind of real reforms could increase health care competition? Congress should aim to break up the system of local monopolies into which our health care sector has devolved. In his Saturday attack on health insurers, President Obama noted that the industry enjoys "a privileged exception from our anti-trust laws, a matter that Congress is rightfully reviewing." What he is talking about is the [McCarran-Ferguson Act](#) of 1945 that allows state governments to regulate the business of insurance without federal government interference. The Act is, in part, responsible for the evolution toward state insurance markets dominated by just a few large insurers. Consumers cannot purchase insurance policies that are not licensed by their state insurance commissions and which do not incorporate all the mandates imposed by those commissions. Congress and the states should open up competition between insurance companies by enabling "regulatory federalism" that would allow individuals and employers to purchase health insurance from other states. As a [report](#) from the

[Blue Cross Blue Shield](#)
Health insurance plans as low as \$4/day. Call 1-866-779-8466 Free!
www.Vimo.com

[Federal Employee?](#)
Get quick help to find the right Aetna health plan for you
www.AetnaExpressLane.com


[Humana® Medicare Plans](#)
Explore Humana Medicare Plans. Enrollment Begins November 15th!
Humana-Medicare.com

[Sector & Sovereign LLC](#)
Investment Research Sector Analysis - Sovereign Risk
www.sector-sovereign.com

Ads by Google

Show all activity

CONTRIBUTOR COMMENT 2 days ago

 **ZAID JILANI**
Youthful Populism

Commented on **OLYMPIA SNOWE AND THE TRIGGER OPTION**

"I think David Sirota put it best when he said no one outside Washington knows or cares who Olympia Snowe..."

E.D.'S NEW POST 2 days ago


[Chart of the day: Massachusetts vs. the United States](#)

E.D.'S NEW POST 2 days ago

[Ronald Bailey on competition and health care](#)

E.D.'S NEW POST 2 days ago

[Interesting fact of the day: Insurance companies exempt from antitrust laws](#)



MY POSTS T/S Network Last 24 Hours

- [Wyden-Bennett is dead, long live Wyden-Bennett](#) 260 views
- [Health savings accounts, catastrophic coverage, and rising health care costs](#) 223 views
- [The public option is not a hill to die on - for progressives or conservatives](#) 111 views
- [New poverty guidelines could lead to higher than](#) 105 views

free-market Cato Institute notes, regulatory federalism would force state insurance commissions to compete among themselves. The result would be that “states that impose unwanted regulatory costs on insurance purchasers would see their residents’ business—and their premium tax revenue—go elsewhere.”

One of the most dismaying aspects of the current health care debate has been the lack of focus on competition in the market. Lots of talk follows the thinking that a strong public option will increase competition, but the underlying problem – that the system as it stands is simply anti-competitive at a structural level – is rarely addressed. Without that structural problem being fixed, a public option will likely suffer the same restraints and shortcomings – as well as difficulty controlling costs – that insurers in the private market do today.

So it’s good to know that this is on the President’s agenda.

Related articles by Zomanta

- Rape As A Pre-Existing Condition? (trueslant.com)
- Conyers, Leahy Introduce Bill To End Health Insurers' Anti-Trust Exemption (crooksandliars.com)
- State Health Care Plans (professorbainbridge.com)

Recommend



Previous Post:

[Interesting fact of the day: Insurance companies exempt from antitrust laws](#)

Next Post:

[Chart of the day: Massachusetts vs. the United States](#)

More on True/Slant Right Now

Related Posts

[Interesting fact of the day: Insurance companies exempt from antitrust laws](#)

[Is Blue Dog leader calling the Democrats' bluff on health care by suggesting Medicare for all?](#)

[Public health insurance option is dead](#)

[Private health insurance monopolies punish consumers](#)

[Obama's rope-a-dope health care strategy](#)

7/6 LIVE STREAMS

Related streams

[Health Care Reform](#)

[Politics](#)

[See all network activity »](#)

[predicted health care costs](#)

[Interesting fact of the day: Insurance companies exempt from antitrust laws](#)

73 views

I am a free-lance writer and blogger. I write at [The League of Ordinary Gentlemen](#) and at David Frum's site, [New Majority](#).

CONTRIBUTOR COMMENT

26 mins ago

CONTRIBUTOR COM

“She'd be great. I'm intrigued by how many cool and interesting women on my list are named Margaret or some...”

“I like that you say chemical reactions. more accurate to s what...”

Contributor Since: October 2009

posted to [WANT A MAJOR MOTION PICTURE ABOUT YOU? BE DEAD AND FAMOUS, LADIES](#)

posted to [ROBOTS AREN](#)

[MY PROFILE](#)

[MY RSS FEED](#)

[MY HEADLINE GRABS](#)

[EMAIL ME TIPS](#)

WHAT I'M UP TO

Why American Tory?

The conservative movement in America has been careening toward the deep-end for some time now. One thing it lacks is a strong set of policy-shapers. I want to be part of the project that fills that void. The other thing it lacks is sensible direction. David Cameron's Conservative Party in the UK can be a model for the conservative movement here as well.

If you have any tips on policy reports, smart analysis, or other items of interest please feel free to email me. Thanks!

Comments

DISPLAY

[Called-Out Comments](#)

[All comments](#)

1 Total Comment

[Post your comment »](#)

DISPLAY

[Called-Out Comments](#)

[All comments](#)

[Log in for notification options](#)

[Comments RSS](#)

Post Your Comment

You must be [logged in](#) to post a comment.

[See all contributors »](#)

ABC all upset at poll showing huge drop in global warming believers

+1,918 views

Elizabeth Warren for President

+1,915 views

In Which I Try My Hand at Cartooning and Subsequently Run Afoul of Two Crazy People

+1,004 views

LAPD freaks out America with new Orwellian ad

+965 views

CAITLIN KELLY

Broadside

[3 new posts »](#)

ALLISON KILKENNY

Unreported

[2 new posts »](#)

LAURIE ESSIG

Class Warfare

[2 new posts »](#)

NEAL UNGERLEIDER

Falafel Mafia

[2 new posts »](#)



RICK UNGAR

The Policy Page

[2 new posts »](#)



SCOTT ALEXANDER YOUNG

The Jet-Set Hobo

[2 new posts »](#)



SCOTT BOWEN

Beaufinn

[1 new post »](#)



MARJIE KILLEEN

North Shore & Next Door

[1 new post »](#)



RYAN SAGER

Neuroworld

[1 new post »](#)

[Sector & Sovereign LLC](#)

Investment Research Sector

Analysis - Sovereign Risk

www.sector-sovereign.com

[HSBC Term Life Insurance](#)

Insurance the Way It Should Be. On

Your Terms & In Less Than a Day!

us.HSBC.com/Insurance

[Aetna Health Insurance](#)

Personal health coverage plans.

Compare options and enroll online.

www.Aetna.com

in E.D. Kain

SEARCH

© 2008-2009 Copyright True/Star

Ads by Google Advertising | Press | Help

Make Trueslant.com your homepage