Dr. Obama's Health Care Prescription

(June 23 update: Section 3116 of the Kennedy-Dodd health care bill being considered by Congress specifically exempts Senators, Congressman, and all federal employees. Apparently "Obamacare" is so good they don't want it for themselves. It also appears that union health insurance plans will be exempt from taxes placed on non-union health care coverage—if your employer provides you with health insurance but you are not in a union, the cost of your benefits will be considered taxable income.)

Obama and the Democrats are working feverishly to pass a nationalized health care plan before Edward Kennedy is reunited with JFK, RFK, and Mary Jo Kopechne. It may be worth spending a few minutes examining what it is they will be shoving down American throats under the pretense of curing them.

Do not be fooled. Socialized medicine is what Obama wants. As a state senator in Illinois, he introduced legislation to achieve just that in the welfare state that was once the proud Land of Lincoln. (In 2003 Obama told the AFL-CIO, "I happen to be a proponent of a single-payer universal health care program… and that's what I'd like to see. But as all of you know, we may not get there immediately. Because first we have to take back the White House, we have to take back the Senate, and we have to take back the House.") Do not think that his moving from Chicago to the White House has reduced his appetite for power. A quick examination of what Obama has done over the last four months to destroy the U.S. Constitution and take illegal command over the American economy should make it obvious that there is no stopping the thug in chief. We can toss him out of office in November 2012, and we can vote out his Democrat comrades in November 2010, but until then we are stuck with his usurpations of power. Although the odds may be against us, we can stop "Obamacare" the same way we stopped "Hillarycare" in 1993—by exposing it for what it is: socialized medicine that will result in higher taxes, physician shortages, rationing of care, and denial of services to the elderly.

First, look at the number of uninsured Americans Obama and his apostles in the government and the media keep tossing around. They usually say there are 46 million uninsured Americans. (Sometimes the number used is 47 million, sometimes 50 million.) What they neglect to mention is that 10 to 20 million in that group of uninsured "Americans" are illegal immigrants. (Roughly 39 per cent of the uninsured reside in California, Texas, Florida, Arizona, and New Mexico.) Yes, they do not have traditional health insurance policies, but we all know they are not being left on the streets to die. They show up at hospital emergency rooms in labor and with their headaches and strep throats and gunshot wounds—and the taxpaying Americans are footing the bill for their care, either through state or federal programs or higher insurance premiums. Obama apparently believes Americans will be better off if we make it easier for the illegals to get even better care; (Heaven forbid that they should have to wait in line while a taxpayer is treated first.) Perhaps if they were not given free health care subsidized by the American taxpayers more than a few of those families would choose to stay on their side of the border.

While he was still a U.S. Senator, Obama sponsored the "Global AIDS Spending Bill." The bill adds $50 billion to the $200 billion in tax dollars already spent on fighting HIV/AIDS around the world. The bill also lifts a ban on the entry of AIDS-infected aliens into the United States. The Congressional Budget Office estimates that U.S. taxpayers will end up spending $83 billion treating those aliens and their HIV-infected children. Perhaps if Obama had not introduced that bill there would be a few more tax dollars available to treat Americans in the emergency rooms. (If the United States has such lousy health care that it desperately has to be "fixed" before legislators have a chance to read the bill, let alone debate it, why do the AIDS patients have to be welcomed with open arms? Why not send them to Cuba, which has that great socialized medicine everyone in the media raves about?)

The "46 million uninsured Americans" also includes millions of people who earn more than $50,000 per year but who simply choose not to buy health insurance. (The Census Bureau estimates that there are about 17 million people in that category.) Obama believes it is a good idea to raise taxes and prices on everyone so that those people can be covered. ("Hope and change" includes forcing Americans who do not make $50,000 per year to help provide health insurance for those who do.)

The uninsured population does *not* consist solely of Americans who want insurance but can't afford it. In the uninsured mix are also *millions* of young people who simply choose not to buy health insurance because, well, they're young and healthy and believe they are invincible. (Individuals between the ages of 18 and 34 make up *40 per cent* of the uninsured.) Of course, they are not all invincible, but enough of them are to make it logical for them to save their cash for a down payment on a condominium rather than spend money on insurance premiums. They're young but they're not that stupid. They may be playing the odds when they choose a new car over insurance against prostate cancer or uterine cancer—*but the odds are most definitely in their favor*. The youth of America are so convinced of their own infallibility that they have no difficulty choosing to pay $150 per month on a cell phone over $100 per month on health insurance. (Yes, catastrophic health insurance can be that inexpensive if you are a healthy, young, non-smoker willing to accept a high deductible.) Obama essentially promised those young people free health care (along with free college educations) if they voted for him—so they did. But that doesn't mean the rest of us should be forced against our will to give it to them. (According to a study by Johns Hopkins University, families that earn less than $58,000 per year cannot afford to purchase health insurance, but according to the Bureau of Labor Statistics, those families spend, on average, $1,081 per year on cell phone service, $427 on alcoholic beverages, $364 on cigarettes, $481 on personal care products, $1,573 on clothing, $2,269 on restaurant meals. One would be hard-pressed, of course, to find a politicians suggesting to those families that they might want to take responsibility for their own insurance needs by cutting back somewhere else.)

Included in Obama's figure of 46 million uninsured are people who are temporarily in between jobs. A union truck driver who is laid off, for example, loses his employer-paid

health insurance. But he will get insurance again when he finds a new job. In the meantime, he has the option of continuing his (and his family's) employer-paid group health insurance *for several years*—even though he no longer works for the company—by paying his own premium payments under COBRA legislation. In non-recessionary times, roughly one-half of those who lose their jobs find new ones—with health insurance—within four months. COBRA rules clearly remove those people from the uninsured count. The person who is healthy generally does not bother making those COBRA payments, because he knows he will again soon be covered. If he (or a family member) does happen to become ill or injured, he can retroactively pay for the coverage (within a certain time limit). The laid off employee is therefore generally wise not to continue his insurance, because he knows that if he should end up needing it after a month or two he can pay the required premiums retroactively. To argue that someone who is between jobs is part of a "health care crisis" is as ludicrous as classifying as "homeless" someone who bought a house and has not yet moved in.

There are also millions of low-income Americans whose children have coverage via the SCHIP program but who haven't bothered to enroll them in the program, as well as millions eligible for services through Medicaid if they would only take the time to apply.

The "crisis" of 46 million uninsured is no crisis at all after you remove from the equation the illegal immigrants, the people who can afford insurance but who choose not to buy it, those who are young and healthy and who can likely risk being without insurance, and those who are in between jobs (but who have the protection of COBRA coverage if they need it). Granted, there are some unfortunate souls who become seriously ill or injured and who do not have health insurance, but there are most certainly *not* 46 million of them—and the nation already has adequate federal, state, and charity safety nets to take care of the truly disadvantaged (like SCHIP and Medicaid).

A Kaiser poll showed that only 64 per cent of uninsured adults would be willing to pay as little as $100 per month for health coverage. A mere 29 per cent were willing to spend $200 per month. But—surprise!—*all* of them are willing to have the taxpayers shell out $1.2 trillion to insure them. If health care is so critical that Obama has to get legislation rushed through immediately, you would think the least the alleged 46 million uninsured could do is offer more than $100 per month as their share of the burden. (Of course, all health insurance policies would be less expensive if the legislators in the 50 states did not require insurance companies to cover such things as in vitro fertilization and smoking cessation classes. There are more than one thousand such mandates across the country today, and the cost of including them increases insurance premiums.)

Obama and the media nevertheless beat the 46 million uninsured drum for all its worth, doing their best to get a national health care plan passed. *Soon…* not just during Obama's four-year term as President, not even during his first two years. No, it has to be done in 2009, and preferably before the end of summer. What's the hurry? Will Congress not be in session in 2010? It is not a coincidence that Congress is doing its best to make sure Edward Kennedy's name goes on the legislation. Why? For the sympathy support. *"We*

need to get this passed before Senator Kennedy's brain tumor does him in." (More than three hundred million Americans are expected to allow their health care system to be destroyed so that corrupt politicians can honor a lifelong drunk who left a women gasping for air in a submerged Oldsmobile. It would have been cheaper to save General Motors' Oldsmobile nameplate as a fitting memorial.)

One would think that legislation affecting approximately 17 per cent of the nation's economy would be carefully crafted, debated, and considered. This is not, after all, approval for a bridge or a day care center—it is a federal overhaul of the world's best health care system. Americans spend, directly or indirectly, $2.4 trillion per year on health care. Why should we let Obama, Harry Reid, and Nancy Pelosi rush to concoct a massive bill that dramatically changes that system? They certainly haven't done anything in the first few months of 2009 to warrant the trust of the people who will be stuck with whatever they come up with.

There is only one reason for Obama's demand for speed: get the legislation passed before anyone has a chance to see the devil that is hiding in the details—and before the tide of public opinion turns against the big-spending temporary resident of the Oval Office. Obama's Senate henchman, Senate Majority Leader Harry Reid of Nevada, is at the ready to get health care legislation passed via a sneaky maneuver known as "budget reconciliation"—which requires only a simple majority of Senate votes, rather than the 60 needed to defeat a filibuster.

Obama learned his lesson from the Clinton health care fiasco. Some may recall the convoluted charts showing the intricate (some would say idiotic) organizational chart of Hillarycare. The more the details of her proposal became known, the less people liked the plan. Hence, it failed. Obama will have none of that. He is paying close attention to Tom Daschle (who would have been his Secretary of Health and Human Services had he not considered himself above the tax laws the rest of us are expected to follow). Daschle is certainly still in the Obama loop, however, so it may be worth paying attention to his words. In Daschle's revealing book, Critical: What We Can Do About the Health-Care Crisis, he argues that the failure of the Clinton health care plan in 1993 was the result of providing too much detailed information, which its critics then used against it. Daschle instead now recommends passing an intentionally vague bill, which would set up a "Federal Health Board… charged with establishing the system's framework and filling in most of the details. This independent board would be insulated from political pressure." In other words, Obama and Congress should intentionally deceive the American people in order to stage a national health care coup. That's the scheme—in Daschle's own words.

As part of the deception, Obama argues that no American will have to give up any health care coverage they have now, and says he will merely provide a "federal option" for the consumer. If you like your current policy, you can supposedly keep it, because the federal policy will be the "policy of last resort." Obama's Web site (www.barackobama.com/pdf/Obama08_HealthcareFAQ.pdf) states that his "…plan

actually will increase the choices available to you… If you do not have insurance you can choose to enroll in the new public plan … or you can choose private plan options through the national health exchange." Obama later changed the wording on his pledge of "if you like your policy you can keep it" at a news conference, when he responded to a question with, "What I'm saying is, *the government* is not going to make you change plans under health reform." (ABC's Jake Tapper points out that Obama wasn't saying "no one" would take away anyone's health insurance, only that he wouldn't—"Which is not to say that the government wouldn't create a situation where such a thing would happen."

Do not believe Obama's argument that he merely wants to introduce "competition" in the health insurance industry. (He makes that claim as if to suggest he is a believer in free markets, but his track record shows that he is virulently opposed to the capitalist system.) There are more than 1,300 companies in the United States currently providing health insurance. Obama expects you to believe that the introduction of company number 1,301—the government insurance company—will somehow magically transform everything? What is Obama's scheme?

Consider how a government health insurance policy would be priced. If the federal policy is priced higher than private policies, there is no point in providing it. Why, for example, would anyone pay $750 per month for "Obamacare" if he or she can get the same or better coverage in the private insurance marketplace for $700? Similarly, there is no point in having a federal plan that is priced the same as private coverage. Why even bother setting up a federal plan that charges the exact same rate? The only reason anyone would have for buying federal health insurance coverage would be to save money. That is Obama's intention—to price the federal coverage lower than similar private insurance.

Faced with the choice of private insurance that costs more and federal insurance that costs less, why then would anyone keep private insurance? Of course, they would not. Over time, therefore, everyone would move to the federal plan. Presto! The entire nation will be under Obamacare!

But how can Obama price a federal insurance plan lower than private industry? He cannot—unless the government takes a loss on the coverage. That is, the government policy will be priced lower than what it actually costs to insure the consumer, and the government will lose money on most of the people it covers. The difference will eventually be paid for by higher taxes, borrowing money (deficit spending and selling Treasury bonds to China), or printing money (causing inflation). In the short run, Obama will force private insurers out of business by under-pricing them. (When that happens, of course, he will blame their failure on "evil, cold capitalism"—and George W. Bush.) In the long run, Obama will end up creating a health care monster that devours even more of the nation's gross domestic product than it does now.

To speed up the process of taking over the system, Obama will place incredible burdens on private insurers. As an example, he will require that consumers applying for health insurance cannot be turned down even if they have pre-existing medical conditions. To

anyone with a functioning brain that requirement is ludicrous. (Imagine forcing car insurance companies to sell a policy to a teenager after he cracks up his car.) The lunacy of Obama's requirement will not stop Obama from imposing it—he even emphasized the point during a debate with Senator John McCain. If a person knows that private insurers cannot turn down his request for a policy no matter what, why would he bother buying health insurance while he is healthy? He would simply have no insurance and save the money he would have paid for monthly premiums. If he (or his spouse or child) gets sick, he will simply trot down to the neighborhood insurance office and say, "Here I am! I want your best policy—and Obama says you can't turn me down!" That change alone could signal the end of all private insurers. Insurance "after the fact" is not insurance; it is theft at the point of a federal gun.

Obama will not stop there. He will force insurers to pay for many procedures they do not now cover. He will increase mental health requirements. He will pile on so many rules, regulations, and mandates that private insurers will have no choice but to raise premium rates. They will not have the "print money or raise taxes" options available to Obama.

While he is doing his best to destroy the private health insurance industry, Obama will also force every employer in the United States to provide health insurance for all their employees—whether they can afford it or not. Health insurance is not inexpensive, so those employers will suddenly be faced with tens of billions of dollars in additional employee costs. Those businesses cannot print money any more than the insurance companies, so they will have to raise prices. As a result, Americans will see astronomical price increases. Employers that cannot or will not provide health insurance for their employees will be forced to pay a fine. No doubt many employers will simply drop their plans, as the fine will most certainly have to be less than the cost of insurance premiums. (Obama's promise that no American who likes his existing plan will have to give it up is not much of a pledge if that coverage ceases to be provided. Obama can just as easily promise that no one will have to give up Skippy Peanut Butter if they prefer that to the Peter Pan brand, but he certainly cannot guarantee that Skippy and Peter Pan will forever remain in business—especially if his policies threaten their profits.)

Those employers who do not want to be burdened with setting up group insurance for their employees will be allowed to "opt out"—by paying a health care tax to Obama, which will be used to cover the employees with his "federal plan." That option will also result in the employer passing on those costs to consumers. Prices on almost all goods and services will go up. Many companies will not bother providing group health insurance or paying into the "federal insurance pool"—they will simply close their doors and go out of business. (Everyone has a threshold, and owners of businesses are not immune to "throwing in the towel.")

Never mentioned by Obama or the supporters of a national health plan are the number of Americans who are working solely for their health insurance. There are a substantial number of workers in their late 50s who are too young for Social Security benefits but who would like to retire. Perhaps they have earned a small pension from their

employment or have enough savings, IRA, or 401(k) benefits to tide them over until they start collecting Social Security benefits. They are working not because they want to, but because they need the health insurance. They may be smokers, are likely overweight, and are perhaps diabetics. They do not want to be without health insurance, but do not want to wait for Medicare at age 65. Enter "Obamacare." Suddenly those people no longer have to go to work for their health insurance, because their compassionate president pulled that "right" to health care out of his magician's hat. (There is no such thing as a "right" if it comes at someone else's expense. That is why the Declaration of Independence stopped at "Life, liberty, and the pursuit of happiness.") How many "working for the insurance" people like that are in the United States? No one knows—but we will certainly find out within a few months after Obama's health care plan passes. Whatever their numbers, they will quit their jobs and get in line for the care Obama promised them—and which everyone else will be paying for.

And get in line they will, for there will most certainly be lines. You can't very well promise something for 46 million people and not expect them to demand it once the benefits door has been opened. Even more problems will then start to appear.

Having forced private insurers out of business, Obama will have more than 300 million people clamoring for the health care he promised. His plan will quickly run out of money, because he cannot afford to continually subsidize the premium costs. Although he temporarily plans to keep the costs low in order to force private insurers out of business, he cannot play that game forever. Obama has estimated that his plan will cost $65 billion per year. That is an absurdly low number if one believes his uninsured Americans estimate, because it represents less than $1,400 per year for each of those 46 million people. He will need smoke and mirrors to insure the uninsured for about $120 per month per person. (Or he will add another trillion or two to the national debt.)

Obama will have no choice but to raise taxes and slash expenses. He will raise revenue by imposing new taxes on businesses (costs which will be passed on to all Americans in the form of higher prices for all goods and services). He will also impose taxes on soft drinks and other beverages that have added sugar. He will likely raise cigarette taxes (again). He will probably also eliminate tax deductions for Health Savings Accounts. (We should be encouraging HSAs, not eliminating them.) Don't be surprised if he makes employer-paid group health insurance subject to income taxes—which would certainly be a telling admission of his hidden goal to socialize all health care. (Obama has been on the stump for two years moaning about how expensive health care is, so his brilliant is to tax it. Should the White House catch fire, expect him to pour gasoline on the flames.)

As far as all those people aged 54-64 who are working only for insurance and who will quit their jobs as soon as they get their laminated Obamacare I.D. card for their wallets, have no fear. The proposed Kennedy bill covers their expenses with this explanation: "There is established in the Treasury of the United States a trust fund to be known as the Retiree Reserve Trust Fund that shall consist of such amounts as may be appropriated or credited to the Trust Fund as provided for in this subsection to enable the Secretary to

carry out the program under this section." In other words, the federal government will set up an account and put money in it. How much money will the government need? Not surprisingly, the "experts" who wrote the bill weren't quite certain, so they simply referred to it as, "Such amounts" as may be needed. (Doesn't that make you feel better?) And where will the government get that money? No problem… it will be "appropriated."

On the assumption that it will be impossible to "appropriate" enough taxes to fund all these goodies, Obamacare will have to do something about rising costs. How will Obama cut expenses? First in line will be a reduction of fees for physicians. He will follow the Medicare practice of simply saying the government will pay X dollars for a particular service (a physician visit, appendix removal, hip replacement, etc.). The Democrats are already poised to cut Medicare fees even more. As things stand today, many physicians already do their best not to take Medicare patients because those fees are too low. But once all patients are in the federal plan, the physicians will have no choice but to accept the amounts in Obama's fee schedules. Take it or leave it.

Many will leave it. You can bet that a substantial number of physicians will choose to retire or switch to other careers, where their income is not restricted by federal fee schedules. Granted, physicians could better afford reduced fees if they could cut down on expenses through reduced malpractice insurance premiums, but that would require federal legislation curtailing some of the outrageous awards granted by sympathetic juries who are easily persuaded by slick lawyers. (The name John Edwards comes to mind.) Do not expect Obama or his fellow Democrats to lift a finger to reduce the outrageous settlement amounts paid in malpractice cases, because that will anger the trial lawyers—who donate heavily to Democrat campaign coffers. Obama won't slash attorney's fees, but he will slash physician's fees. Fees for malpractice insurance for physicians have increased by *over one thousand per cent* over the last 30–40 years. Does anyone think that doctors and hospitals don't pass those costs on to their patients?

Consider an obstetrician who is charged $80,000 or more per year for malpractice insurance. That works out to $1,538 per week, or a little more than $300 *per day.* If that doctor sees 10 patients per day, he has to charge $30 per patient *just to cover his malpractice insurance!* That is before he pays the rent, utility bills, medicines, supplies, and the salaries, taxes, and insurance for his staff—let alone his own salary. When a jury awards $20 million in a lawsuit against a doctor or a hospital, do not think that cost doesn't get passed on to the patients. Obama will do little or nothing about *that* aspect of rising health care costs.

Word of this will trickle down to the college campuses, of course, and a fair number of brilliant young minds that had planned on entering the medical profession will instead enter more lucrative fields. After a few years of Obamacare, expect to see a lot more lawyers and a lot fewer doctors. (A person once destined to become a doctor and find a cure for cancer may instead become a plumber.) There will be shortages of nurses and hospitals will close. The more Obama cuts fees, the more there will be shortages. People

will simply enter other professions, and investors will put their money in places other than hospitals.

There are about 800,000 physicians and 5,700 hospitals in the United States today. If 46 million people suddenly are given health insurance, will they not use physicians and hospitals more than they do now? Obama's expects to cut fees to doctors and hospitals while at the same time expecting them to cover 46 million more patients. Something's got to give, as millions more people clamor for services from fewer doctors and hospitals. Basic economics says that more people chasing fewer goods and services leads to price increases, not decreases. But politicians seem to know nothing about basic economics.

Obama will address the problem by rationing health care services. This is done in almost every nation that currently has socialized medicine, and there is no way it can be avoided in the United States once it goes down that collectivist path. Enter Obama's "Health Council on Comparative Effectiveness Research." Funding for this new committee has already been approved by Congress. (It was included in the "stimulus" bill). The council's duties will include identifying medical treatment it considers insufficiently effective or too expensive. According to the House Appropriations Committee, "Those items, procedures, and interventions… that are found to be less effective and in some cases, more expensive, will no longer be prescribed." (You're out of luck if your doctor thinks a particular form of cancer treatment is a good idea but Obama's council nixes the idea. You can bet abortions will be covered, although it is unclear whether Hollywood can persuade him to cover plastic surgery and Botox injections.)

In an effort to reduce federal health care costs, non-approved expenses would not be paid for by Medicare or Obama's universal health care plan. If those Americans who are angry that their HMOs will not cover certain procedures believe the federal government will be any less generous, they will believe anything—which is likely why most of them voted for Obama. In Great Britain, cost-control policies prohibit the use of the drug Tarceva because the government feels it is not cost-effective. Lung cancer patients are therefore prevented from obtaining the drug even though it has been shown to extend their lives. Under the planned Obama rules, the decision to prescribe a drug like Tarceva will not be up to the patient and the doctor, but the federal government's Health Council. You do not have to search the Internet long to find horror stories of waiting lists for treatment in countries like England and Canada that have socialized medicine. Canadians often travel to the United States for treatment they cannot get quickly enough at home. They are therefore paying for their care twice, through higher taxes in Canada and writing a check to the doctor and hospital in the United States. In some countries you are allowed kidney dialysis only if you are under a certain age; if you're too old, you are not considered worth saving. That is how nations with national health care try to keep their costs down.

Canadian citizen Shona Holmes was diagnosed with a brain tumor, but was told she would have to wait six months for treatment. Holmes chose to seek treatment in the United States rather than die in Canada (http://patientsunitednow.com/?q=videos). Colonoscopies are not covered by the Canadian health care system. Cancer death rates

are 16 per cent higher in Canada than in the United States. If a Canadian has the money, he can travel to the United States for a colonoscopy and treatment denied him by his government. Where will Americans go after their health care delivery system is similarly "restructured" by Obama and his fellow Democrats? (According to an annual report form Canada's "Wait Time Alliance," the *average* wait time for cancer treatment in Canada is seven weeks; the *average* wait time for emergency room treatment is nine hours; the wait is 5.7 weeks for psychiatric care; and 18 weeks to see a specialist after a physician's referral. One might assume that Americans would not consider those wait times acceptable.)

Obama supporters are quick to emphasize that a 2000 World Health Organization report ranked the United States 37th in overall "health performance." "If we are number one in spending, why are we 37th in performance?" they ask. The "performance" rankings were subjective, however, and took into account not just medical treatment and it effectiveness, but factors like the delivery system and financial contribution of citizens. The United States ranked number one in "responsiveness" in delivering care. (Americans don't have to wait seven weeks for cancer treatment or nine hours in an emergency room.) The United States dropped down to 37th place overall because of "fairness of financial contribution." (In those nations with "single payer systems" the citizens of course do not get a free ride; they make their "financial contribution" in their tax bill rather than insurance premiums to a private carrier.)

Columbia scored first on "fairness of financial contribution," while the United States scored first on "responsiveness." One might assume that a person having a heart attack would rank responsiveness as a more important issue than whether he writes his check to the IRS or to his insurance provider. (It is worth noting that the World Health Organization stopped performing its annual survey because it was too difficult to accurately and objectively analyze health care performance. In other words, it realized that its own study was subjective and misleading.)

Others argue that life expectancy is a critical factor in evaluating health care delivery systems. But life expectancy is of course related to many factors other than health care, including diet, genetics, and lifestyle. The life expectancy of an American is now about 78. Yes, that is not as good as Japan's (83) or Iceland (82)—but Americans also eat a lot less seafood than the Japanese and Icelanders. And at least for the moment, Obamacare has no plans to force fish on reluctant Americans. The level of infant mortality in the United States is incredibly low (four out of every 1,000 births), with only a few nations doing better. And Americans could improve on that score if fewer women postponed having babies to their late 30s and even their early 40s.

Yes, Americans spend more on health care than they used to. But they also receive more treatment than they used to. Decades ago, few people had hip replacement or knee replacement surgery. Now it is common. Decades ago, no one had laser surgery to improve their eyesight. Now it is common. Decades ago, few people had heart surgery. Today, it is commonplace. Granted, open-heart surgery is much more expensive than the

alternative (death), but you get what you pay for. And while no one likes the idea of continually paying for medications that must be taken every day for the rest of one's life, if the alternative is dying without them the price should begins to seem justified.

The truth is that most Americans are quite happy with the care they receive and certainly are not rushing to Columbia or Cuba or Canada for treatment. Few would be willing to give up the insurance or physicians they now have. While most assume there are some savings that could be squeezed out of the system, no one wants to be the one being squeezed. Rest assured that Obama's advisors are looking for potential "squeezees."

Obama's chief economic advisor, Lawrence Summers, appeared on NBC's *Meet the Press* in April and said, "…by doing the right kind of cost-effectiveness, by making the right kinds of investments and protection, some experts …estimate that we could take as much as $700 billion a year out of our health care system." Although Obama has made it clear that the federal government should never tell a woman she cannot have an abortion, he is apparently perfectly willing to tell Americans "they don't need" 30 per cent of their current treatments or procedures. As examples, Summers mentioned tonsillectomies and hysterectomies as being performed too frequently, where there is "no benefit in terms of the health of the population," but he did not otherwise indicate which Americans would have to give up what health care so that Obama will have an additional $700 billion to spend on coverage for illegal immigrants and the unemployed. Luckily for Summers, the *Meet the Press* host did not ask how soon Americans would need government permission to have a tonsillectomy or a hysterectomy.

Author Mark Steyn notes that "Under Britain's National Health Service, for example, smokers in Manchester have been denied treatment for heart disease, and the obese in Suffolk are refused hip and knee replacements. Patricia Hewitt, the British Health Secretary, says that it's appropriate to decline treatment on the basis of 'lifestyle choices.' Smokers and the obese may look at their gay neighbor having unprotected sex with multiple partners, and wonder why his 'lifestyle choices' get a pass while theirs don't. But that's the point: Tyranny is always whimsical."

If you don't believe such restrictions would ever be part of an American system, consider the state of Oregon. The Oregon Health Plan has a state Health Services Commission, which compiled a list of 680 medical treatments. Of those 680, only 503 are covered by the Oregon plan. If you need treatment for one of the 177 non-covered conditions, sorry. Cracked rib? Not covered. Nasal polyps? Not covered. Broken big toe? Not covered. Liver cancer? Not covered. (Oregon apparently assumes you are a lost cause; just hurry up and die and get out of the way.) But obesity is covered. So are addiction to alcohol, drugs, or tobacco. Schizophrenic? You're covered. Want an abortion? No problem. Need treatment for gambling addiction? Come on in.

Oregon's priorities changed over the 15 years of the plan's existence as a result of lobbying. (Drug addicts and gamblers apparently have a stronger lobby than those who suffer from liver cancer or broken toes.) Do not think the same will not happen under

"Obamacare."

Obama's maternal grandmother had hip replacement surgery in 2008. She was 86 years old, suffered from heart disease, had terminal cancer, and may have had a stroke. That hip replacement surgery would likely not be allowed by a federal Health Council (unless the patient has political connections) because the government has to cut costs—and the elderly patients are where much of the money is now spent. Obama stated in an interview, "I don't know how much that hip replacement cost. I would have paid out of pocket for that hip replacement, just because she's my grandmother. Whether, sort of in the aggregate, society making those decisions to give my grandmother, or everybody else's aging grandparents or parents, a hip replacement when they're terminally ill is a sustainable model is a very difficult question." He continued, "If somebody told me that my grandmother couldn't have a hip replacement and she had to lie there in misery in the waning days of her life, that would be pretty upsetting."

Nevertheless, Obama signed legislation authorizing a federal Health Council that would make those decisions. He said, "There is going to have to be a conversation that is guided by doctors, scientists, ethicists. And then there is going to have to be a very difficult democratic conversation that takes place. It is very difficult to imagine the country making those decisions just through normal political channels. And that's part of why you have to have some independent group that can give you guidance. It's not determinative, but I think has to be able to give you some guidance." He says the government will be offering "guidance." Nonsense. It will be granting or denying physicians permission to treat patients. The government can't cut health care costs by billions of dollars simply by offering "guidance." It is difficult enough now for a family to agonize with physicians and insurance companies over the care of an elderly patient. Obama believes that having a federal bureaucrat make those life and death decisions for the family is the best approach.

Congressman Dan Burton (R-IN) addressed the House of Representatives to urge legislators not to accept the health care provisions of the stimulus bill, emphasizing the rationing called for by the legislation's Health Council for Comparative Effective Research. Burton charged, "What it's going to do is it's going to require that there will be rationing, and it will be based upon some formulas that will say if you only have an expectation of another eight or nine years of life left, or four or five years, that they will ration the care that you get based upon the life expectancy. It's unbelievable." Burton stated that Tom Daschle "…praises Europeans for being more willing to accept 'hopeless diagnoses' and 'forego experimental treatments,' and he chastises Americans for expecting too much from our health care system," and "Daschle says health care reform 'will not be pain-free.' (He says) Seniors should be more accepting of the conditions that come with age, instead of treating them. That means the elderly will bear the brunt of what is in this bill."

Republican-without-integrity-turned-just-your-typical-Democrat Senator Arlen Specter addressed the Senate to discuss his suggestions for reducing federal health care costs. He

noted "…some 27 per cent of health care costs are incurred in the last few hours, few days, few weeks of a person's life." Apparently dismayed that the government is spending too much money because old people are not dying quickly enough, Specter encouraged people to cooperate by making "…a decision in a living will" to authorize pulling the plug before the final costs add up. (Specter himself, however, worked to get an additional $1.3 billion for the National Cancer Institute included in the stimulus bill. It is assumed that Specter, who has been treated for cancer, will not turn down health care in his own "last few hours, days, or weeks." The 79-year-old Specter should hope that the government's Health Council—for which he voted—does not think he has outlived his usefulness.)

The Senate Finance Committee heard health care reform testimony from Professor Stuart Altman of Brandeis University. Altman stated, "Remember, our population is aging… So let's go back to the issue of comparative effectiveness, which we're supporting. That's where that can have a big impact. It's not only there, but that's where the waste is. That's where people are using technologies that really either don't work at all or keep people alive for very limited (time) and (at) very high cost. Hospice is one option, but we do need (to) take account of the cost—you know, I hate to say it, the cost-benefit of some of the things we do. And either we can do it directly, or we can do it by bundling the payments and let the delivery system deal with it. So it's a combination of the delivery system dealing with it, or, and/or providing more information for people to make the right decisions, both for themselves and for the care." In other words, we're spending an awful lot of people keeping old people alive, so we'd better do something about it.

One of the Obama administration's health care advisors is Dr. Ezekiel J. Emanuel (a brother of Obama's Chief of Staff, Rahm Emanuel). Dr. Emanuel is an oncologist who also serves as the chairman of the Department of Bioethics at the National Institute of Health. In Emanuel's book, The Ends of Human Life: Medical Ethics in a Liberal Polity, he discusses end of life issues and euthanasia, and "…proposes an alternative ideology, a liberal communitarianism that imagines a federation of political communities dedicated to democratic deliberations to guide the formulation of laws and policies." Some might read that as, "A government committee will decide whether to provide medical treatment or let you die." (Euthanasia is the process of peacefully ending a life, such as putting a sick pet to sleep. Emanuel's book considers the process for humans.)

In Healthcare, Guaranteed, Emanuel proposes that Americans receive health care via a voucher system funded by a national value-added tax (VAT). Such a new tax would have to generate at least two trillion dollars per year, or more than $6,000 for every man, woman, and child in the United States. Don't think that can't happen. Democrats are already considering a VAT, which is essentially a federal sales tax. (Some Republicans like the idea of a VAT instead of the federal income tax; Democrats want it in addition to the income tax.)

During the campaign, Senator John McCain proposed changes to the tax code that would encourage people to buy lower-cost health insurance. One reason health insurance is so

expensive is that many workers get it free, as a fringe benefit from their employer. Because those plans are not at a direct cost to the employee, there is no incentive for them to keep the costs down. In fact, the employees usually demand improvements in the coverage when they negotiate new union collective bargaining agreements. The result is that many Americans have far more insurance than they need. The cost of those plans could be reduced dramatically simply by encouraging workers to accept larger deductibles or out-of-pocket limits. (Many Americans lower their car insurance premiums by raising their deductible; the same is easily done with health insurance.) McCain proposed taxing employer-paid health insurance, but offsetting that tax with a federal tax credit for health insurance. That would give the workers an incentive to "shop around" and buy policies that are less expensive. A policy with a high deductible would be substantially cheaper than a low or no-deductible plan, yet it would still provide adequate coverage for catastrophic events such as heart surgery or cancer treatment.

If he had the choice, an average American worker with employer-paid health insurance that costs his company $10,000 per year may prefer getting an extra $8,000 in his paycheck and buying his own policy for his family that might cost only $5,000 per year. He would be better off financially, even if the $8,000 were taxable, if he also received a tax credit for the $5,000 he paid for the insurance. If millions of Americans had that option, health insurance costs could be reduced dramatically. Obama (and the media) excoriated the McCain proposal, essentially saying, "How dare you consider taxing health insurance benefits!" Of course, the criticism was always leveled without mentioning McCain's offsetting tax credit.

Now, only a few months after Obama settled into the Oval Office, the Democrats are discussing—you guessed it—taxing employer-paid health insurance. But they are not proposing an offsetting tax credit as did McCain. No, they simply want to tax the benefits. That would encourage more and more Americans to drop their existing employer-paid group policies and signing up for Obamacare. That, of course, is his goal.

If more Americans were affected directly by the cost of health care, total costs could also come down. As an example, take someone with employer-provided health insurance who suffers from migraine headaches. He visits his doctor and asks for a prescription for some strong medication. The doctor suggests an MRI to rule out a brain tumor. (The doctor also fears a malpractice lawsuit if he does not order an MRI and the patient later does turn out to have a brain tumor.) But the patient has had migraines for years and has no reason to believe he has a tumor. In fact, migraines run in his family. Nevertheless, the patient agrees to the expensive test. Why? Because he doesn't have to pay the bill directly—his employer's group insurance policy pays the bill. The patient "has no skin in the game." If, instead, the patient had chosen his own health insurance policy, he may have purchased one with a high deductible in order to save on premiums. If he agrees to the MRI he will have to pay something out of his own pocket. Knowing he does not have a brain tumor, he tells the doctor, "Thanks, but no thanks. Just prescribe the meds for my migraine, please." If the patient has any concerns he can of course agree to the MRI. His portion or the fee may cost him several hundred dollars, but he is still ahead of the game

because his monthly premiums are substantially lower than if he had “Cadillac” coverage.

In 1960, far fewer Americans had health insurance, and 60 per cent of health care costs were paid directly out of their own pockets. Today, about 12 per cent of the costs are paid directly; the rest is covered by insurance or state and local governments. (When someone else is paying the bill, there is less incentive to worry about its size.) It should not surprise anyone that as government became more involved in health care (via Medicare and Medicaid) the costs went up. But somehow we are to believe that if even more control is now given to the government the costs will go down. Obama is wrong. The solution is not to have more government involvement—that will allow Americans to care even less about who is paying the bills; we need less government involvement and more reason for consumers to want to keep costs as low as possible.

Just as consumers may individually choose whether to have high or low deductibles when they buy car insurance, they can make those decisions when they buy health insurance. The more they are affected by the cost of health care, the more cost-conscious they will be and the lower the costs can be driven be eliminating unnecessary procedures. The key is choice. Young, healthy consumers can save by buying policies that cover only the catastrophic, expensive care that worries people (cancer, heart surgery), while paying for strep throat tests out of their own pocket. Consumers who are older and more likely to become ill would likely buy policies that cover more procedures but, accordingly, have higher premiums. One size does not fit all. If Americans are free to choose, and if they can save money in the process, they will make wise decisions for their health and their wallets. But if 300 million people all expect the Cadillac care Obama has promised, they should not expect it to have a Yugo price tag. There’s no such thing as a free lunch, and he has promised caviar.

If you own a home, you likely have homeowners insurance. To keep premium costs down, you probably have a high deductible. More than likely your policy covers only catastrophic events like fire, theft, and flooding. It certainly does not cover broken doorknobs or squeaky hinges. Obviously, if your policy did cover all the minor items the cost of your policy would be prohibitive. If, however, your employer or the government provided you with “free” homeowners insurance, you would then want or even expect it to cover broken doorknobs and squeaky hinges. Homeowner insurance works as well as it does precisely because there is no government interference in the system. (Except, of course, for areas ravaged by recurring floods and hurricanes, where the government makes things worse by using tax dollars to subsidize insurance—which encourages even more people to live where it makes sense not to.) Luckily, Obama and the media have not yet declared a “homeowners insurance crisis” for which we need “national broken doorknob insurance.” If health insurance were treated like homeowners insurance, there would be no “crisis.”

Obama has stated, “When it comes to health care spending, we are on an unsustainable course that threatens the financial stability of families, businesses and government itself.”

What is his solution? Have the government spend hundreds of billions more on health care every year, build a massive, bloated, wasteful federal bureaucracy that employs tens of thousands of patronage workers, create a system that gives no one an incentive to reduce costs, and discourage young people from entering the health profession while encouraging long lines for those who need care.

Health care costs in 2008 were an estimated $2.4 trillion, or about 17 per cent of the nation's gross domestic product. Medicare and Medicaid may be on an "unsustainable course," but those are government programs that are poorly run and which offer no incentive for their users to reduce costs. (Simply toughening up border security would work wonders in reducing Medicaid costs.) Most Americans who have private or group health insurance are generally pleased with their coverage. If they get sick, they would certainly prefer it to be in the United States than while vacationing in Mexico. And only a small handful of Americans (Michael Moore, for example) are gullible enough to believe that Cuba is an example of health care excellence.

Is $2.4 trillion per year—17 per cent of the nation's spending— too much for the best health care system in the world? Virtually every American spends more than 17 per cent of their income on housing. Many spend that much on car payments. Some likely spend that much on clothing. (And no doubt a few spend that much on their telephone bill.) How much is your health worth to you? If you are undergoing open-heart surgery, do you not want it performed in a world-class facility by an expert and experience surgeon? Is your life not worth whatever you are paying in insurance premiums?

Yes, some improvements can be made to the health care delivery system in the United States, but the problems do not warrant totally disrupting the system just to satisfy those who believe a single-payer system would be better—especially when experience around the world proves that single-payer systems are not an improvement. Changes to the tax code can be made that will encourage people to be more cost-conscious when shopping for health insurance. (For example, laws could be changed to allow companies to sell insurance policies across state lines.) Safety nets can be strengthened for those people who "fall between the cracks." Tort reform can help reduce the cost of malpractice insurance. But the system that works so well for so many millions should not be dismantled simply to give free care to those who are without.

That "free care" will of course not be free. Conservative estimates put the cost of Obama's health care plan at $1.2 trillion over 10 years, and few reasonable people would be surprised if the price tag turns out to be much higher. As Townhall.com columnist Steve Chapman points out, "There are only three ways to pay for this expansion of health insurance coverage: increased taxes, reduced benefits, or shiny gold ingots falling out of the sky." Yes, Obama's estimates for his plan are much lower than $1.2 trillion and he boldly says it will eventually pay for itself. When Medicare began it cost $3 billion per year and—even allowing for inflation—it was estimated that it would cost only $12 billion per year by 1990. That $12 billion turned out to be $107 billion. In 2009, the cost is expected to be $408 billion.

Yes, it is a terrible tragedy when an unemployed worker is diagnosed with cancer when he has no insurance. But ways can be found to assist people in those circumstances without destroying what works well for almost everyone else. Some Americans go to bed hungry every night, but that is no reason to totally revamp the agricultural and food industries of the nation or force a federal takeover of all farms and supermarkets. Although some Americans are without health insurance, that is no reason to destroy everyone else's. The problems are not small, but they do not require the massive federal intervention proposed by Obama. He will not make things better; he will make things worse. If he is allowed to pursue his single-payer scheme, there may be no Americans without guaranteed health care, but the quality of what they are guaranteed will be decidedly inferior to what most of them have now.

Obama would have you believe that he can add 46 million people to the ranks of officially insured people and pay for it with cost-cutting measures like improving the computerization of health care records, simplifying and standardizing forms, "disease management" practices, and encouraging lifestyle changes (stop smoking and lose weight). He can computerize all the records he wants (and he will do it against your will), but Obama will never create enough savings to pay for his promises. And he has had his own problems giving up smoking—during the campaign, reporters frequently caught the tell-tale scent of cigarettes on his breath—so don't expect him to sweet talk millions of Americans into giving up the habit. Nor will Michelle Obama's White House fresh vegetable garden do anything to stop the obesity epidemic.

If Obama is so sure his brilliant health care ideas will work, perhaps the government should first try applying them to the existing Medicare and Medicaid systems. They are both hemorrhaging money by the second and are sorely in need to overhaul. If Obama can cut costs in those programs while at the same time improving the quality of care Americans might be willing to allow him to work his miracles with the entire health care delivery system. Is he willing to do that? Of course not. It's all or nothing at all for Obama, because he knows he can't perform miracles. He wants to socialize health care because, well, he wants to socialize everything. And, like any good con man, he has to make the sale quickly—before the residents of River City realize the band instruments and uniforms won't be arriving on the Wells Fargo Wagon after all.

Obama tries to soothe the fears of Americans by telling them, "Under my plan, if you like you current doctor, you can keep using him. If you like your current insurance plan, you can keep it. No one will force you to switch." That may sound comforting to many, but such a guarantee does you no good if your insurer is forced out of business, or if your doctor decides to give up his practice and retire early rather than put up with reduced fees and the burden of burdensome federal bureaucracies.

The old saw, "If it ain't broke, don't fix it" applies to health care in the United States. Write your Senators and Congressman and tell them to vote against Obama's health care proposal. *Your life may depend on it…*

Don Fredrick

June 12, 2009