

Health Reform or Ideology

The various solutions being offered to health-care reform require more study and testing in real-world situations. Perhaps President Obama should propose testing a variety of these solutions using states as the test markets.

The battle over massive health reform continues in Congress. Liberals want whatever it takes to make health care a universal right covered by government. Conservatives want free-market principles and some limited government subsidies to cover the uninsured.

We think both sides have flawed thinking and the current proposals will not work. The Democrats say a government plan will force competition. That only works if the government plan works under private market assumptions that it too needs to make a profit. How can a private plan that needs to make a profit to survive compete with a government plan that can run at losses? It is logical to assume that over time private plans cannot compete with the deep pockets of government.

The Republicans are also misguided that free markets can solve all health care cost issues. We have had a relatively free market for years and costs are rising way too fast to sustain the current system. The free market depends on consumers getting clear prices from competing providers. They also need to pay a large enough co-pay to motivate them to study the cost/benefit of a procedure or test. Using medical services, however, is not like buying a car. Having good information on a car can make one knowledgeable enough to make a smart and cost based buying decision. On the other hand, few consumers can decide whether a test or procedure is really a good buy. How do they know if it is really necessary? Yes they can get better at evaluating medical services and ask better questions. Ultimately, though, free market ideas can only do so much in making better health decisions.

The current Democratic proposal will lead to heavy rationing if it is to remain affordable long term given our aging population. Americans want the best care available and although they like a government plan in theory they do not when rationing is added. A government plan will provide adequate care but not best care if it is to be sustainable. That means cost/benefit analysis on every procedure, test or medication. It also means a decision by government on who is worth treating. That will probably be age-based. Should we spend \$500,000 treating an 80-year-old for cancer? Why should we have kidney transplants for anyone over age 65? Should someone with torn cartilage get knee surgery if the

pain is only moderate? These questions and hundreds more will be asked and answered by government based on their view of cost/benefit.

The solutions take significant study and testing. We would prefer to see government study the alternatives in a deliberate fashion with a commitment to act within a few years. President Obama should test a variety of solutions using states as the test markets. Let's try the public/private option in one state and compare that to other solutions. If the goal is to cover more people and not increase cost, let's try some ideas in the real world. Obama is relying on projections and assumptions that cannot be verified. They are from some bureaucrat's spread sheet. We like real world tests and proof. We have had one test in Massachusetts requiring universal coverage and there have been major problems in terms of timely access to doctors.

We support universal coverage and subsidies for those who cannot afford care. We also need to do something to prevent personal bankruptcy from uncovered health care expenses. We know the current path is a bubble waiting to burst. Something must be done and done within a few years to control costs. Our recommendation is to focus first on the uninsured who cannot afford care. That is an immediate issue.

How about setting up family care clinics run or subsidized by government so these needy people can avoid emergency rooms? How about adding incentives to train more family care doctors? How about a government tax credit for everyone that does an annual physical? Other incentives for healthy behavior can also be adopted. The issue of rising costs for the already insured is a much more difficult problem that needs a lot of alternate scenarios to determine what works best.

Obama is driving a plan that is massive, untested, and based more on hope than facts. Giving it serious study will lead to a workable and affordable plan supported broadly by the American people. For now, the Obama team is selling their plan as win-win and setting up America for a massive entitlement that will not lower cost, except by rationing. Slow down, do it right and avoid disappointing the American people who are fearful of the current proposed plan. No responsible person wants status quo but ramming through an ill conceived plan this year is not what America wants or needs.