

November 26, 2008 Wednesday

**SECTION:** EDITORIALS; A20

**LENGTH:** 808 words

**HEADLINE:** The coming health-care tsunami

**BYLINE:** THE WASHINGTON TIMES

The current discussion about health care "reform" on Capitol Hill through increased federal spending has an almost surreal quality to it. The unfunded liability of Medicare and Social Security stands at more than \$99 trillion. More than \$84 trillion of this comes from Medicare - approximately \$17 trillion alone from the prescription-drug entitlement enacted by the Republican Congress and signed into law by President Bush in 2004. That comes to approximately \$1.3 million per family of four, more than 25 times the average household's income, notes Richard Fisher, president and CEO of the Federal Reserve Bank of Dallas. None of the policy choices for paying for health-care reform is pleasant. They begin with massive tax increases and cuts in promised Medicare benefits. Whatever those failed to accomplish would come from reductions in spending on everything from national defense and military veterans to environmental protection.

President-elect Barack Obama and the Democrats, who will command sizable majorities in both houses of the 111th Congress, are poised to make the fiscal burden much worse - while jeopardizing the ability of private citizens to choose the best health care solutions for their families. When Mr. Obama says that no American should be denied health **insurance** because of pre-existing conditions or illness, he is effectively telling them that even if they smoke, abuse drugs or become obese, the government will force private insurers to cover them at the same premium. (This is usually referred to as a "shall issue" or "community rating" policy.) It is a perfect formula for driving many private insurers out of business and replacing them with a government-run monopoly.

On Capitol Hill, prominent Democrats are signaling that they will be no less irresponsible. House Ways and Means Committee Chairman Charles Rangel says Congress should be prepared to circumvent "pay-go" rules limiting deficit spending in passing health care legislation. Senate Finance Committee Chairman Max Baucus wants to expand Medicare to cover people between ages 55 and 64 and to require every American to buy health **insurance** from something called an Independent Health Coverage Council - a panel of government bureaucrats who will tell people what benefits they must have. The Baucus plan includes provisions that would require "all except the smallest businesses" to either offer health **insurance** to all of their employees or pay higher taxes. Like Mr. Obama, Mr. Baucus would impose "community rating" or "shall issue" policies. The Montana Democrat would also expand government programs, including Medicaid and the State Children's Health **Insurance** Program, which will almost certainly encourage people to substitute government coverage for employer-provided coverage. And Mr. Baucus would also establish a government-run health **insurance** program to compete with those offered by the private sector.

Meanwhile, this newspaper has reported that from his sickbed, Sen. Edward Kennedy has been

orchestrating meetings with lawmakers and lobbyists in an effort to craft his own legislation to expand the federal role in health care. During the presidential campaign, aides to Mr. Obama attended the early closed-door meetings on Capitol Hill. Participants in the talks included Democratic and Republican congressional staffers as well as a wide variety of interest groups with stakes in health coverage, including the U.S. Chamber of Commerce; the AFL-CIO; the National Federation of Independent Business; the National Retail Federation; the American Medical Association and the AARP. One of those who participated in the initial talks is Rep. Mike Enzi of Wyoming, who is the ranking Republican on the Senate health committee chaired by Mr. Kennedy. Aides to Mr. Enzi have told this newspaper that their boss is receptive to a "bipartisan" plan.

But based on all of the information made public thus far, the plan that will be proposed by the Obama administration and its congressional allies would be a disaster for the American people. It would result in massive increases in federal spending, higher federal taxes and taxpayer debt being passed on to our children and grandchildren. It would also reduce consumer choice and drive many private insurers out of the market, leaving all but the wealthiest Americans with little choice but to receive care from the resulting government monopoly.

Notably absent from the current discussions is any mention of market-based solutions like health savings accounts or association health plans - which permit people to join trade associations and other private groups which operate across state lines in order to obtain health **insurance**. Rather than bargaining with Mr. Kennedy over minor changes to a terrible bill, the Republican minority should be offering the American people a real alternative.

**LOAD-DATE:** November 26, 2008

Copyright © 2008 LexisNexis, a division of Reed Elsevier Inc. All rights reserved.  
Terms and Conditions Privacy Policy