HEALTH CARE

Taxes, once raised, can be lowered again. Immigration laws can be changed. Most of the damage the Democrats will inflict if they take office can be undone. But there’s one part of their agenda that can never be repealed: the health care changes that a President Obama would attempt to pass once he gets into office.

If Obama wins the Democratic nomination, it’s clear that a major change in our health care system is in the offing. In the endless Democratic debate over the details of health care reform, we have lost sight of the fundamentals. Right now, about 45 to 50 million United States residents don’t have health insurance, including about ten million illegal immigrants; hence they usually get only emergency medical care, which is usually still provided for free.

The Democratic plans seek to extend coverage to these tens of millions of people—an approach that would dramatically increase the demand for medical services. Hospitals, nursing homes, clinics, outpatient units, emergency rooms, ambulatory care centers, and doctors’ offices would be crammed to the gills with new arrivals seeking medical care under their new insurance policies.

But the supply of hospitals, clinics, doctors, nurses, and other facilities won’t increase rapidly, if at all. In fact, the cost controls that Obama will impose will probably limit the income of doctors so severely that fewer and fewer young people will choose medicine as a career.

If the supply stays the same or drops while the demand rises sharply, the result is inevitable: sky-high price increases.

But the United States already spends 16 percent of its national wealth on
health care. How much more can we afford? No other nation spends nearly as much as we do. While the United States spends $5,711 per capita on health care, the nearest other large country, France, spends only $3,048.

Obviously, federal health care administrators will have to find ways to cut the cost of health care. While McCain would begin with these cost-cutting measures and phase in wider coverage as cost reductions make them financially possible, Obama will likely implement them as fast as he can get them through Congress.

So what cost controls are in the offing? Obama speaks hopefully about encouraging healthy living and cutting smoking, but these steps are unlikely to produce short-term cost savings. Productivity improvements, systemic reforms, and cost reduction procedures also all take time to implement. The health care bureaucracy is more difficult to maneuver than a battleship. The more immediate answer is to ration health care.

What does rationing mean?

It means that federal bureaucrats—or private ones empowered by federal legislation—will have a veto on any medical procedure you want, even if you are prepared to pay for it yourself!

The burden would be especially heavy on the elderly, whose very life or death would be subject to a new cost-benefit analysis. Of course, every elderly person is already covered by Medicare. But the aggregate increase in demand caused by the inclusion of 50 million new people including illegal aliens, in the system would drive up costs for all—and require rationing for all. And it’s easiest to ration medical care to the elderly—particularly when the question is whether to let them avail themselves of costly and risky medical procedures to stay alive for a few more months. Under Obama, our senior Americans would need the approval of some federal bureaucrat (or insurance bureaucrat empowered by Obama’s law) to get a medical procedure they need. The “duty to die” ideas of former Colorado governor Richard Lamm would live to see another day.

The long-term effects of Obama’s health care reforms would fundamentally change the nature of our medical system. The utilization controls and cost limits would force private health insurers into ever more draconian “health management” decisions, denying people medical care they urgently need.

Seventy-nine-year-old diabetics with high blood pressure who smoke
may be told that they cannot have bypass surgery. Some cancer patients might not be able to get MRIs. Medical procedures will be increasingly doled out by bureaucrats, just as they are in Canada and most of Europe.

And why will we distort our current system? To accommodate those who are not now insured. And who are they? Mainly immigrants—legal and illegal—and those who could be covered but just don’t bother.

In the interest of extending health coverage to illegal immigrants, who shouldn’t be here in the first place, Obama would subject us all to health care rationing—courtesy of the government.

Obama has been very careful to mask what he really plans to do to the health care system. He pretends that he’d simply move to cover the 50 million uninsured and would leave everybody else’s health care insurance intact.

But these pretensions are nonsense. The resulting increase in demand would force health care rationing.

Obama would extend the right to buy health insurance to all “Americans,” a term that somehow seems to include illegal immigrants who live here. He would offer them the same gilded health care plan that members of Congress receive. Whereas he once advocated the government as the single payer, completely socializing all medicine, he has backed off that position, saying “If you’re starting from scratch, then a single-payer system would probably make sense. But managing the transition would be difficult. So we may need a system that’s not so disruptive.”

Today, Obama proposes working through the existing insurance industry to provide coverage. He explains that he would set up a “National Health Insurance Exchange to help individuals who wish to purchase a private insurance plan. The Exchange will act as a watchdog group and help reform the private insurance market by creating rules and standards for participating insurance plans to ensure fairness and to make individual coverage more affordable and accessible. Insurers would have to issue every applicant a policy, and charge fair and stable premiums that will not depend on how healthy you are. The Exchange will require that all the plans offered are at least as generous as the new public plan and have the same standards for quality and efficiency. The Exchange would evaluate plans and make the differences among the plans, including cost of services, public.”
WHO ARE THE UNINSURED?

10 million illegal immigrants
15 million people who are eligible for Medicaid but don’t apply
15 million adults whose children are eligible for free insurance
And 10 million childless adults

Who are those who won’t sign up for health insurance? One third of those now uninsured, as noted above, are already eligible for Medicaid but just don’t bother to sign up until they’re sick and need care. During the Clinton administration, the president (with little help from Hillary, despite her extravagant claims) got Congress to pass the State Children’s Health Insurance Program (SCHIP), offering largely federally subsidized health coverage to all children without insurance. States generally voted to allow anyone who made two or three times the poverty level to sign up. But only about half of those eligible enrolled. A few years later, the government expanded the program and put more money into outreach—but still more than a third of the parents of those kids who were eligible never got into the program. The truth is, there are a lot of people who don’t like to go to the doctor.

McCain has it right. He would give everyone a $2,500 tax credit (or a check if they are too poor to pay income taxes) for the purchase of health insurance. A family would get $5,000. He says that the problem starts with overly costly health care. He says that we need to slash these costs, to make room to cover those who have no health care. He would prioritize efforts to cut smoking and encourage healthy habits and would also focus on reducing health costs by efficiency and productivity. Then he would reinvest those savings in expanded care.

By anticipating these savings, and spending them before they are realized, Obama would drive up the cost of health care and force rationing on us for the first time.