

# The Health Care Deceit

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The current health care “debate” shows how far gone representative government is in the United States. Members of Congress represent the powerful interest groups that fill their campaign coffers, not the people who vote for them.

The health care bill is not about health care. It is about protecting and increasing the profits of the insurance companies. The main feature of the health care bill is the “individual mandate,” which requires everyone in America to buy health insurance. Senate Finance Committee chairman Max Baucus (D-Mont), a recipient of millions in contributions over his career from the insurance industry, proposes to impose up to a \$3,800 fine on Americans who fail to purchase health insurance.

The determination of “our” elected representatives to serve the insurance industry is so compelling that Congress is incapable of recognizing the absurdity of these proposals.

The reason there is a health care crisis in the US is that the cumulative loss of jobs and benefits has swollen the uninsured to approximately 50 million Americans. They cannot afford health insurance any more than employers can afford to provide it.

It is absurd to mandate that people purchase what they cannot afford and to fine them for failing to do so. A person who cannot pay a health insurance premium cannot pay the fine.

These proposals are like solving the homeless problem by requiring the homeless to purchase a house.

In his speech Obama said “we’ll provide tax credits” for “those individuals and small businesses who still can’t afford the lower-priced insurance available in the exchange” and he said low-cost coverage will be offered to those with preexisting medical conditions. A tax credit is useless to those without income unless the credit is refundable, and subsidized coverage doesn’t do much for those millions of Americans with no jobs.

Baucus masquerades as a defender of the health impaired with his proposal to require insurers to provide coverage to all comers as if the problem of health care can be reduced to preexisting conditions and cancelled policies. It was left to Rep. Dennis Kucinich to point out that the health care bill ponies up 30 million more customers for the private insurance companies.

The private sector is no longer the answer, because the income levels of the vast majority of Americans are insufficient to bear the cost of health insurance today. To provide some perspective, the *monthly* premium for a 60-year old female for a group policy (employer-provided) with Blue Cross Blue Shield in Florida is about \$1,200. That comes to \$14,400 per year. Only employees in high productivity jobs that can provide both a livable salary and

health care can expect to have employer-provided coverage. If a 60-year old female has to buy a non-group policy as an individual, the premium would be even higher. How, for example, is a Wal-Mart shelf stocker or check out clerk going to be able to pay a private insurance premium?

Even the present public option-Medicare-is very expensive to those covered. Basic Medicare is insufficient coverage. Part B has been added, for which about \$100 per month is deducted from the covered person's Social Security check. If the person is still earning or has other retirement income, an "income-related monthly adjustment" is also deducted as part of the Part B premium. And if the person is still working, his earnings are subject to the 2.9 percent Medicare tax.

Even with Part B, Medicare coverage is still insufficient except for the healthy. For many people, additional coverage from private supplementary policies, such as the ones sold by AARP, is necessary. These premiums can be as much as \$277 per month. Deductibles remain and prescriptions are only 50% covered. If the drug prescription policy is chosen, the premium is higher.

This leaves a retired person on Medicare who has no other retirement income of significance paying as much as \$4,500 per year in premiums in order to create coverage under Medicare that still leaves half of his prescription medicines out-of-pocket. Considering the cost of some prescription medicines, a Medicare-covered person with Part B and a supplementary policy can still face bankruptcy.

Therefore, everyone should take note that a "public option" can leave people with large out-of-pocket costs. I know a professional who has chosen to continue working beyond retirement age. His Medicare coverage with supplemental coverage, Medicare tax, and income-related monthly adjustment comes to \$16,400 per year. Those people who want to deny Medicare to the rich will cost the system a lot of money.

What the US needs is a single-payer not-for-profit health system that pays doctors and nurses sufficiently that they will undertake the arduous training and accept the stress and risks of dealing with illness and diseases.

A private health care system worked in the days before expensive medical technology, malpractice suits, high costs of bureaucracy associated with third-party payers and heavy investment in combating fraud, and pressure on insurance companies from Wall Street to improve "shareholder returns."

Despite the rise in premiums, payments to health care providers, such as doctors, appear to be falling along with coverage to policy holders. The system is no longer functional and no longer makes sense. Health care has become an incidental rather than primary purpose of the health care system. Health care plays second fiddle to insurance company profits and salaries to bureaucrats engaged in fraud prevention and discovery. There is no point in denying coverage to one-sixth of the population in the name of saving a nonexistent private free market health care system.

The only way to reduce the cost of health care is to take the profit and paperwork out of health care.

Nothing humans design will be perfect. However, Congress is making it clear to the public

that the wrong issues are front and center, such as the belief of Rep. Joe Wilson (R-SC) and others that illegal aliens and abortions will be covered if government pays the bill.

Debate focuses on subsidiary issues, because Congress no longer writes the bills it passes. As Theodore Lowi made clear in his book, *The End of Liberalism*, the New Deal transferred law-making from the legislative to the executive branch. Executive branch agencies and departments write bills that they want and hand them off to sponsors in the House and Senate. Powerful interest groups took up the same practice.

The interest groups that finance political campaigns expect their bills to be sponsored and passed.

Thus: a health care reform bill based on forcing people to purchase private health insurance and fining them if they do not.

When bills become mired in ideological conflict, as has happened to the health care bill, something usually passes nevertheless. The president, his PR team, and members of Congress want a health care bill on their resume and to be able to claim that they passed a health care bill, regardless of whether it provides any health care.

The cost of adding public expenditures for health care to a budget drowning in red ink from wars, bank bailouts, and stimulus packages means that the most likely outcome of a health care bill will benefit insurance companies and use mandated private coverage to save public money by curtailing Medicare and Medicaid.

The public's interest is not considered to be the important determinant. The politicians have to please the insurance companies and reduce health care expenditures in order to save money for another decade or two of war in the Middle East.

The telltale part of Obama's speech was the applause in response to his pledge that "I will not sign a plan that adds one dime to our deficits." Yet, Obama and his fellow politicians have no hesitation to add trillions of dollars to the deficit in order to fund wars.

The profits of military/security companies are partly recycled into campaign contributions. To cut war spending in order to finance a public health care system would cost politicians campaign contributions from both the insurance industry and the military/security industry.

Politicians are not going to allow that to happen.

It was the war in Afghanistan, not health care, that President Obama declared to be a "necessity."

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