

OBAMA'S HEALTH PLAN WORKS IN THE BAY STATE; MCCAIN'S WOULD BE A DISASTER

By Nick Gier, Professor Emeritus, University of Idaho (nickgier@adelphia.net)

Citizens of most industrialized countries pay less than half than we do for their health care; they are more satisfied with it; they have just as good or better access; they experience far better health than Americans do; they are never denied coverage; and they have never declared bankruptcy for inability to pay their medical bills. For more see www.home.roadrunner/~nickgier/health.htm.

Massachusetts' health care reforms are working well, and except for its mandate for universal coverage, they are almost identical to Obama's plan. During the past two years, the Bay State has reduced the number of its uninsured by two thirds and has cut its ER costs by \$72 million. The average total cost per person has been less than predicted.

The good people of Massachusetts have obviously rejected John Goodman's outrageous idea. Goodman, McCain's health care advisor, claims that Americans already have universal coverage because they can always go to the ER for treatment. Goodman doesn't seem to care that "E" stands for emergency care, and that ER doctors don't want to handle general health problems.

Because health insurance is mandated for all (Obama would require it only for children), 40 percent of the newly insured in Massachusetts have, without state subsidy, bought coverage from their employers. It is really is a no brainer: universal coverage reduces the health costs for every individual.

Following Massachusetts, Obama would set up a national health insurance exchange where small businesses and individuals would save money by pooling their numbers. Obama would also provide more money for Medicaid and the

Children's Health Insurance Program, the expansion of which McCain recently voted against.

Under Obama's plan, people would continue with their current insurance plans, and, if they change jobs, they would be guaranteed portability and coverage for pre-existing conditions. The uninsured would be given income based subsidies to buy private insurance, or they would join a national plan based on an extension of Medicare.

Obama would mandate that all companies offer their workers health coverage, but small businesses, depending on their size, would be exempt or would get tax credits for up to 50 percent of premiums paid. Big companies that do not offer coverage would pay a payroll tax to finance the extended Medicare program.

While Obama would keep the employer-based system in place, McCain would dramatically weaken, if not destroy, employer plans by taxing employee premiums, which have been tax-free since the 1950s. This would trigger a huge tax hike of \$1,200 per person and generate \$360 billion in revenue per year.

McCain's plan would return all this money as tax credits so that people can buy private insurance on the open market. Single individuals would get \$2,500 each and families would receive \$5,000. The cost to the U. S. treasury, using 134.2 million as an estimated number of 2008 tax returns, would be \$509 billion.

In addition to the extra \$149 billion needed to fund McCain's tax credits, families would still have to come up with the difference between the \$5,000 they receive and the average \$13,000 that families pay for private insurance.

Furthermore, Americans who do not file a tax return would not benefit from McCain's plan at all.

McCain claims that he is offering Americans "more choice," but there will be far fewer options, other than the emergency room, for those who are poor and sick. There are actually more choices in Obama's plan, which he says will cost

\$50-65 billion a year (critics say \$200 billion), and millions more will be covered at a high level of care.

McCain quips that a government bureaucrat will control your health care under Obama, but complicated federal rules will be needed to prevent you from using the tax credit for other purposes. McCain taxes Americans at a tune of \$360 billion, but he gets meager results from using an unregulated insurance industry that denies care to many people and incurs administrative costs three to five times that of Medicare.

McCain would also allow insurance companies to sell policies across state lines. Without the minimal state insurance requirements that Obama would put in place, these companies would flock, just as companies do when they register their ships in Liberia, to states with the worst medical consumer protection.

Furthermore, healthy people will buy out-of-state plans at reduced rates, leaving large state insurance pools with less healthy populations.

McCain's plan would not force insurance providers to accept pre-existing conditions. McCain has had several bouts of melanoma, so how would he fare if he were forced out into the private market for health care? These companies appear to be more in the business of denying care rather than providing it.

McCain does propose a "guaranteed access plan" based on programs now operating in 34 states. But as health care expert Jonathan Oberlander observes: "State high-risk pools ironically suffer from the same problems: high costs, limited benefits, and pre-existing conditions exclusions."

I'm voting for Obama because he is a pragmatist rather than an ideologue. A left-wing ideologue would propose closing down the medical insurance industry, but Obama's plan does not do this.

Even though Mitt Romney was the governor who proposed the Massachusetts plan, he conveniently returned to GOP ideology when running for

president. In a recent *Wall Street Journal* op-ed, Romney is again taking credit for his original pragmatism on health reform.

McCain supports ideologically based positions on foreign policy, the economy, abortion, and health care without regard for the consequences. All it takes is for someone to cry “socialized medicine,” and meaningful health care reform goes down the tubes. Let’s hope that the American electorate is wiser this time.

Perhaps McCain realizes that his health care plan will not make it through a Democratically controlled Congress, so he offers a wild free-market plan to please the GOP party faithful. McCain's plan would obviously not improve access to quality medical for millions of Americans, nor would it improve our standing last among the civilized nations of the world.

Nick Gier taught philosophy at the University of Idaho for 31 years. A main source of information was Jonathan Overlander, "The Partisan Divide—The McCain and Obama Plans for U.S. Health Care Reform," *The New England Journal of Medicine* (Aug. 21, 2008).