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Free Markets, Not Government Mandates, Comprise True Health Care Reform

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With all of the rancor and misinformation surrounding the proposed "reform" of our health care system, there is one thing in this debate that both Republicans and Democrats can agree upon - that being neither side wants to preserve the status quo. Republicans are in fact strong supporters of reform, but we do not agree with the false choices the Democrats have presented to the nation on health care. Democrats have, in effect, told the public that we have two choices as a nation - their idea of "reform," or the status quo.

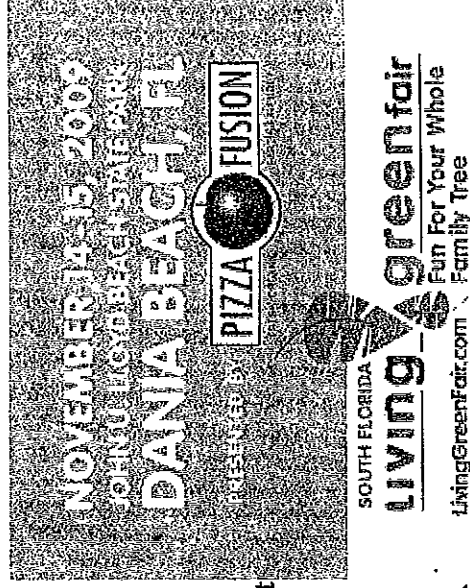
Do not let the partisan scare tactics fool you about the reforms we are proposing - for too long, these attacks have obscured the facts concerning the cost of health care in the United States, needlessly polarizing people, and have prevented authentic reform from taking place. We believe that any future health care reform must respect individual choices and our rights as Americans under the Constitution.

We Republicans are offering a clear alternative to the bills that are presently circulating in Congress - a real health care reform that spurs competition, gives consumers more choices, and further expands access to the health care system by lowering health insurance costs at no cost to taxpayers.

Our proposed version of health care reform is much more respectful of personal choice, the right to privacy, and is fiscally responsible - and our reform plan will not cost taxpayers a single dime. If Congress were to enact the following common-sense proposals into law, health insurance would become more affordable for lower income earners and others who presently do not have insurance but want to obtain it:

- Elimination of state mandates that prohibit individuals from purchasing health insurance from any insurer in the country. By eliminating state mandates that prohibit individuals from purchasing health insurance across state lines, we can spur the creation of a truly national market for health insurance. By fostering inter-state competition, the price of health insurance will come down immediately; but just as importantly, insurance companies will be able to spread risk as they allow more individuals access to the insurance marketplace by virtue of the decreased cost of health insurance. Elimination of these state mandates will also enable insurance companies to affordably cover individuals with pre-existing conditions, just as they do now with group plans.
- Make health insurance more affordable by offering individuals and families tax incentives based on income. We support the creation of a federal tax credit for the purchase of health insurance. Such a tax credit would allow uninsured, low-income individuals and families to purchase a quality health insurance plan. A refundable income tax credit could cover up to 90 percent of the cost of a health insurance policy, up to a maximum of \$1,000 for individuals and \$3,000 for families. This federal tax credit would be available to individuals making less than \$40,000 annually, and families making \$60,000 or less. This change to the tax code would make health insurance affordable to all people at all income levels while still requiring individuals to be personally responsible for their coverage.
- Eliminate the state mandates and regulations that disincentivize the creation of catastrophic-only insurance policies and personal choice-policies that are portable and stay with you whether you lose your employment or change your job. Every policy issued in Florida has 52 specialized services that are required to be covered by government mandates. At first glance, these mandates might appear beneficial to consumers, but the consequences of these mandates have only served to kill consumer choice as well as innovation within the insurance industry. When factored cumulatively, these mandates have increased costs of health insurance because the utilization rate

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of these mandated services goes up - and these higher insurance costs make coverage unaffordable for millions of Americans. As insurers lower their insurance rates, individuals will be able to own a personal policy that is not dependent on their employer, and when these types of policies are coupled with catastrophic-only policies, no American family will suffer financial ruin due to a health care emergency. By eliminating state mandates, insurers will be able to offer the public a greater variety of policy choices that are tailored to specific consumer needs and preferences.

- Implement medical tort reform by capping lawsuit damages.

By enacting responsible medical malpractice tort reform that protects patients' rights but places responsible caps on damages awarded in malpractice suits, we can reduce the high malpractice insurance premiums that physicians pay - the costs of which are ultimately passed on to consumers. In states such as Texas where tort reform has been accomplished, the number of primary care physicians has increased which has further increased competition and lowered prices for consumers. Instituting lawsuit reform will also ensure doctors from practicing defensive medicine by ordering needless procedures which increase health insurance costs; thereby enabling doctors to concentrate on practicing preventative medicine which will also serve to lower the cost of health insurance, since fewer people will become seriously ill due to early detection.

Aside from these agenda items, one other potential starting point for bipartisan agreement is to emphasize the need for cost transparency when purchasing health-care services. Most Americans have no idea how much any given service costs when they visit their doctor's office. In the age of Amazon.com and eBay - those popular online marketplaces where Americans can scan the Internet for best deals on any product or service -- why are we willing to keep one of our most important purchasing decisions, our health care, shrouded in mystery?

Doctors don't need a mandate to publish a list of their prices. Take Lasik surgery for example -- it is one specialized procedure where cost transparency already exists. Most patients pay out-of-pocket for Lasik surgery, so providers must compete and advertise reasonable prices to attract consumers. How is it that most other medical prices have soared, but the price of Lasik surgery has dramatically declined? It's because of cost transparency. Americans must demand the removal of ill-conceived government regulations and mandates from any level of government that for too long have distorted the true costs of medical services and procedures. Once these regulations and mandates are removed, doctors and other healthcare practitioners will create transparent marketplace in which they must compete for our healthcare business. Only by getting rid of bad regulations will we create a transparent marketplace with advertised prices that will inevitably lead to greater competition and reduced costs for both insurance and medical services.

The reason we've continued to ignore the incrementally expanding regulatory scheme governing health insurance - which has only served to increase both our health insurance and health service costs - is because most patients don't pay for health care at the time of its purchase, and we've become content as a society to remain in the dark about the true costs of health care. Only 15 percent of per-capita health spending is out of pocket, and your doctor co-pays don't reflect the actual cost of the medical service rendered. This leads to artificially increased demand and soaring costs of health insurance. Cost transparency will encourage patients to make more informed health care purchasing decisions rather than just simply being content to ask, "Is it covered?"

H.R. 3200, along with the other Democrat-authored legislative proposals now before Congress will cut Medicare, cripple the private insurance industry, dramatically increase our federal deficits, order end-of-life service counseling to our seniors, and enable government bureaucrats to access your private medical records- all this while not closing the loopholes to provide health care to illegal immigrants. It's no surprise why Democrats would attempt to bury so many bad ideas, not to mention bad programs, in a massive bill fraught with barely understandable legalese.

We deserve much better from our representatives in Congress, but unfortunately, our political class seems to grow more and more disconnected every day from its true bosses - the American People. Our hand remains extended to Democrats to work with us on a truly patient-based reform of the health insurance system, but we will not accept the current set of misguided legislative proposals, nor will we accept another bill with virtually the same big-government plan, simply disguised with more clever advertising. Our promise to Americans is to restore the purchase of health insurance and health care services to as normal a market transaction as possible by removing misguided mandates and regulations which have inflated the true costs of these services to consumers for far too long.

Edward Lynch is currently running for Congress in the 19th District against Robert Wexler, and Robert Lowry is currently running for Congress in the 20th District against Debbie Wasserman-Schultz.

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