Getting a Job After Graduation Isn't Easy Any More

by Phyllis Schlafly April 19, 1995

The defeat of Clinton's Health Care bill last year was a big victory for Republicans and played a major role in the election of a Republican Majority in Congress. Unfortunately, some Republicans seem to think that this disposed of the problem.

They are wrong. Health care is a front-burner issue and, if the Republicans don't deal with it soon, it will become Clinton's issue to use against them in the 1996 elections.

Republicans also need to realize that big business is still their enemy on health care reform. In 1993 and '94, big business supported Clinton's big government takeover of the health care industry. Fortunately, Republicans disassociated themselves from the U.S. Chamber of Commerce and went all-out to defeat Clinton's bill.

Now, big business wants Congress to do nothing at all about health care reform. This policy is just as bad for Americans and for Republicans as last year's pro-Clinton strategy.

Most big companies are herding their employees into low-cost managed-care groups such as HMOs, but some are keeping high-cost fee-for-service health care for top executives. As Sean Sullivan, president of the National Business Coalition on Health says, "We don't want public policy to impede what we are doing."

Other business lobbyists have been even blunter in saying they don't want Congress to allow Medical Savings Accounts (MSAs) because this would "set individuals loose" and "segment the market." Freedom for the individual worker to control his own health care and spend his own money is not a priority with business lobbyists!

Group purchasing of health insurance is fine, but it's wrong that only employers are allowed to do this in a tax-advantaged way. Why not buy your health insurance from your college alumni association or your church?

With layoffs now all too common (even in corporations that are making record profits), wouldn't it make a lot more sense to buy your health insurance through a group that is not likely to kick you out? If you could choose your own group, you wouldn't have to scramble for new health insurance every few years, trying to cover the various medical conditions that most of us acquire during the course of our lifetime.

Business managers may do a decent job of purchasing health insurance for their employees, but the problem is that the employer can toss the employee overboard anytime it wishes - for example, when it wants to move a factory to Mexico to take advantage of NAFTA/GATT. Once the employee is gone, the employer is not the

least bit interested in helping him find and keep health insurance.

At the same time that business executives are wining and dining Republicans and telling them how wonderful HMOs are for their employees, these same business executives are secretly treating themselves to special tax-deductible health insurance that allows them to go to the front of the line for health care treatment.

A recent article in *Nations Business,* the publication of the U.S. Chamber of Commerce, touts the latest tax-free benefit for executives: "executive health insurance." It covers pre-existing conditions and allows the executives to see any doctor they want.

Of course, this perk is limited to the president and vice presidents. Ordinary employees get the standard HMO plan, where gatekeepers limit your choice of doctor, but executives get to see any doctor they want, and its all tax-free because employer paid health insurance is tax-deductible.

Times have changed, and the old implied contract between the big companies and their workers is dead. In 1994, corporate profits rose 11 percent, while at the same time corporations eliminated a half million jobs.

To the typical laid-off American worker, guaranteed universal health insurance of the type proposed by Clinton looks awfully good on paper. Republicans are kidding themselves if they think President Clinton won't use the health care issue against them in 1996.

The Republican Congress should seize the initiative by enacting two reforms: (a) allow everyone (not just employers) the opportunity to purchase health insurance with pre-tax dollars, and (b) authorize all Americans to establish tax-protected Medical Savings Accounts.

With these two simple changes in federal tax law, employees would own their own health insurance and MSAs, which cannot be taken away if they are laid off, change jobs, or leave the labor force.