from Phyllis Schlafly

April 29, 1993

"PEACE OF MIND" IS WHAT IT ISN'T

Let's suppose that millions of Americans are worried because they have no health insurance and are afraid of getting ill, and that millions more who do have health insurance are worried that they may lose their job and, with it, their company health insurance. That may sound like a description of today's health care crisis, but that was the same situation we faced when Lyndon Johnson became President.

In 1965, health insurance was largely employer-based, as it is now. Workers had insurance, but retirees and the non-working poor were left out in the cold, without insurance. Lyndon Johnson's Great Society responded with Medicare for the elderly and Medicaid for the poor. In theory, this was supposed to provide health insurance for the uninsured (with company-paid health plans taking care of the employed).

But a funny thing happened on the way to universal coverage, and now, 30 years later, our country is in the very same fix. As Yogi Berra would say, "It's *deja vu* all over again." If we supposedly devised the formula for universal health insurance in the mid-1960s, why is that goal even further away today?

To the surprise of the Great Society liberals, the costs of Medicare and Medicaid have vastly exceeded the most extravagant original projections. At the outset of Medicare, the House Ways and Means Committee estimated that it would cost about $12 billion per year by 1990, even allowing for inflation.

In actual fact, the cost of Medicare shot up from $3 billion in 1966 to $129 billion in 1992. The cost of Medicaid will hit $120 billion this year, up from $52 billion in 1988, despite price controls on doctors and hospitals.

Medicare and Medicaid pushed up the cost of medical care for everyone else, too. Since Medicare and Medicaid now pay less than

private insurance, hospitals resort to "cost-shifting," so that private insurance (mostly paid by employers) not only subsidizes the cost of medical care for the uninsured but also for those on the government programs.

The most important of many reasons why Medicare and Medicaid pushed health care costs up faster than the consumer price index is the way the system changed. Before Medicare and Medicaid, patients who could not pay were usually cared for by doctors in training under the voluntary supervision of private doctors donating their time.

After the enactment of Medicare and Medicaid, teaching institutions dismissed those doctors and instead hired fulltime doctors for whose services they billed the government. Costs rose dramatically to pay for the medical care that was formerly given without charge.

The liberals cheered this change because they regard charity care as a quaint medieval concept out of touch with modern times. They regard it as unfair to have a two-tiered system in which those who have money can purchase a private room with a TV while those receiving health care without charge have "ward" or "clinic" care.

The problem with the liberals' plan is that Medicare and Medicaid are going broke. The annual report from the Medicare Trust Fund issued April 6, 1993 states that Medicare will be out of money before the end of this decade -- in spite of the price controls already imposed on doctors and hospitals and huge increases in Medicare payroll taxes.

Yet, amazingly, even though the government cannot pay for the health care commitments it has already made, the Clinton Administration wants to increase the scope of tax-paid government involvement!

The Clintons are trying to sell increased government involvement in health care by telling us it will give Americans "peace of mind." But it's ridiculous that anybody could have peace of mind about

extending to the rest of the population the type of coverage that is

already puncturing the peace of mind of those on Medicare and Medicaid.

Canada has already given us a good demonstration of the failure of the liberal dream of universal one-tiered health care. Canadians who can afford to escape the "universal" system are buying a new type of health insurance that pays for care in American hospitals when they find themselves on the waiting list in Canada.

All human experience shows that it is futile for the government to manage and pay for universal health care that provides the same level of care for all. Instead, the best way to address the need for lower income Americans to buy health insurance is to change our present tax code to permit every American the opportunity to establish an individual medical savings account purchased with pre-tax dollars (either by the employer or the individual).

How do we take care of poor people in America who don't have enough to eat? Fortunately, the Federal Government has not ordered "Managed Competition" among combinations of farms, grocery stores and restaurants, making us all eat at three or four huge cafeterias in each city, all offering the same government-approved menu.

Instead, the government gives food stamps to the needy who, within some guidelines, make their own choices of food and grocery stores. That's the model for health care reform NOT the failed Canadian one- tiered system managed by the government.