Republicans Must Seize the Health Care Initiative

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Republican losses in the recent election are partly attributable to Congress's default on the health care issue. The Republican Congress has refused for four years to empower patients with real control over their own health care.

Instead, the Republican Congress passed the patient I.D. requirement in the Kennedy-Kassebaum law, and then the Republican House passed a law invalidating state privacy protections for patients' records. Meanwhile, the Democrats have succeeded in portraying themselves as defenders of patients in their effort to gain control over their own medical care.

Public resentment against Bill and Hillary Clinton's plan to take over the entire health care industry, and force us all into federally managed care, was a major reason why Republicans captured Congress in the 1994 elections. Unfortunately, the Republicans failed to fulfill their mandate to address the health care problem responsibly or to allow Medical Savings Accounts (MSAs), except for the doomed-to-fail MSA segment of the Kennedy-Kassebaum Act.

The cash-rich managed care industry, including health maintenance organizations (HMOs), successfully lobbied Republicans for this do-nothing policy. It enabled them to move into the vacuum and take over the private health care market by convincing employers (who control most health insurance plans) that they could save money by forcing their employees into HMOs.

Now, 85 percent of all Americans with employer-based insurance are enrolled in managed care plans, and many of them don't like it. Meanwhile, the number of uninsured is rising, not falling.

Whereas in 1993 and '94 the Democrats were touting HMOs as the solution (marketed under the oxymoron "managed competition"), in the 1998 campaign the Democrats ferociously attacked HMOs, while Republicans, playing footsie with the managed care lobbyists, not only defended them but

encouraged them to take over Medicare, too.

What happened? In the 1996 Clinton-Dole televised debate in California, Clinton was momentarily thrown off balance when the live audience gave an overwhelmingly negative reaction to his support of HMOs. Clinton learned fast, and today the Clintonistas are posing as our saviors from the dreaded menace of HMOs.

In the Congress just adjourned, both Republicans and Democrats toyed with patients' bill of rights legislation. Nothing passed because the Democrats demanded that patients have the right to sue HMOs for damages when they deny care (the polls show that 73 percent support this), and Republicans oppose repealing the HMOs' privileged exemption from liability and lawsuits.

Political survival for Republicans requires the new leadership to come to grips with the health care issue. Playing defense and running out the clock, as Republicans did in the 104th and 105th Congresses, is a prescription for defeat, both in the polls and at the polls.

The fundamental problem with health care is the grievous mistake made by Congress many years ago in the federal tax law when it granted tax deductibility ONLY to health insurance plans provided by employers, but not to individuals who buy their own health insurance. This discriminatory system means that the cost to part-timers and to the millions who work for small firms that lack company plans is exorbitantly high because health insurance must be bought with after-tax (both payroll and income) dollars. Congress, to its credit, has started to partially address the injustice to the self-employed.

This unfair present system also means that (a) there is little incentive to hold down costs since workers fortunate to be in a company plan think that somebody else is paying the bills, and (b) it breeds a culture in which people don't expect to pay for health care. Hence the demand for Medicare and Medicaid expansion, Kidcare, and even national health insurance.

In 1995, Medical Savings Accounts, owned by individuals, as well as by employers, could have been a major solution. Now that HMOs have taken over the majority of the market, MSAs cannot be the total solution because the HMOs have price-squeezed health care providers so much that they are cost-shifting to non-HMO patients.

The Republicans' default on health care has allowed the Democrats to seize the advantage on this all-important issue. With our aging voter population, Republicans can be successful only if they become the

advocates of individual patient control over health care, while making it clear to voters that Democratic plans for increased government control will lead to rationed care.

The solution is for Congress to sever the irrational link between employment and health care, and level the playing field so that individual Americans can control their own health care by purchasing services of their own choice (including non-employer group plans and MSAs). With a budget surplus, now's the time to give individuals the same tax deduction for health insurance that corporations get.

If Republicans aren't going to let us sue our HMO when it denies care, they had better make certain we have the competitive option of obtaining health insurance from someone other than an employer's HMO. If Republicans don't lead on this soon, they can follow after the next election when, once again, they are in the minority.