

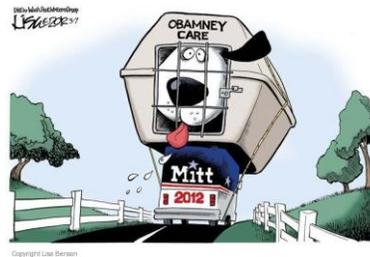
ROMNEY AND HEALTH CARE REFORM – What Do Voters Need to Know about RomneyCare?

Stephen L. Bakke  July 23, 2012

Romney's presidential campaign must create clarity regarding his goals, motivations, and actions regarding RomneyCare! – Stephano Bachovich, obscure (but very wise) political and economics scholar

Must RomneyCare be a Burden to Mitt's Candidacy?

I must admit I have had some uneasy moments thinking about Romney's history with health care reform in Massachusetts. Then Governor Romney supported significant changes in health care reform in his state and he enjoyed popular public and bipartisan political support in the process.



Obama and the Democrats have seized mightily upon the Massachusetts experience to claim Romney “flip flopped” when he called for repealing ObamaCare at the federal level. To add insult to injury, Obama claims that he used Romney's Massachusetts law as a model for developing ObamaCare – hence the frequent reference to “ObamneyCare.” But will it end up as a burden to Mitt?

Further insults come from ideological conservatives who can't enthusiastically join the Romney team. They continue to throw jabs at the Romney candidacy. I guess they are trying to appear as wise pundits, and perhaps are hoping for some “face time” with the cameras – or perhaps they are just jealous that they, or their more conservative candidate, did not fare well against Romney in the primaries. Is it possible that many of the comments from the right and the left come from uninformed, or conveniently near-sighted, critics? I'm not sure!

I admit to being puzzled about the entire issue. Is Romney flip-flopping by now opposing Obamacare? On the other hand, why has he not made emphatic statements about the mistakes, if any, made in Massachusetts? Why has he essentially “stood by” his original goals and objectives in his health care initiatives while Governor? **Why?! Why?! Why?!**

I wish Romney could find an effective way, if there is one, to tell his story about RomneyCare. I understand the value of not becoming defensive in any campaign; and I understand the value of controlling your own timing for dealing with these things.

In this report I will provide a summary comparison of similarities and differences between ObamaCare and RomneyCare, along with some other interesting (I hope) information. I hope you and I get some answers from this analysis. And I'm hopeful that Romney will deal with this according his own timetable. Perhaps he thinks it's just better to let your opponents and critics dig their hole deeper and deeper. It's easy to debate when you are right. Let's see if he is right and wise in his handling of this issue! Help me work through this issue by following along in my deliberation.

Don't Confuse a Constitutional Issue with a Policy Argument!

First let me repeat that the issue argued before the Supreme Court had nothing to do with whether our health care payment system needed to be reformed. I, for one, wholeheartedly endorse significant reform. The Supreme Court was deciding specifically whether ObamaCare was constitutional. They decided it was, based on the power of Congress to tax.

Mallard Fillmore by Bruce Tinsley



The deliberations as to constitutionality had nothing to do with health care reform at the state level. Remember, federal powers are specific and enumerated – i.e. “few and defined.” The power of the states under the Constitution is “numerous and indefinite.” The founders wanted to have each state be a “laboratory of democracy” as the country developed and grew in all ways imaginable – a process which will never be completed – I hope!

I have never had any doubt as to the constitutionality of RomneyCare. That’s separate from whether I like any or all of it as good public policy. And I now have to accept that ObamaCare is constitutional – but it’s awful public policy! Was Romney’s vision for a state-based health care reform **equally misguided** and equally bad from a public policy perspective? Let’s take a look and see what he was up to as Governor of Massachusetts.

The Context of Romney’s Support for Reforming Massachusetts Health Care

The context, as I understand it, of Romney’s original health care reform project was:

- Approximately 8% of the Massachusetts population was uninsured prior to the RomneyCare legislation.
- The citizens of the state and members of both houses of the Massachusetts legislature were dominated by Democrats – I have read estimates as high as 85%. Right or wrong on that measurement, you get the picture.
- There was bipartisan political and public support for doing something to improve access to health care insurance.
- Romney personally felt there should be reform and wanted to be sure he had a hand in accomplishing it in a way that was consistent with his values, priorities, and in a “business-friendly” manner. Most in Massachusetts now feel he accomplished that.

I’m starting to feel a little better about this all the time! Let’s push onward!



Signing RomneyCare into Law



Signing ObamaCare into Law

Romney's Motivation and Goals

Here's what Romney said about the Massachusetts reforms:

It's a Republican way of reforming the market. Because, let me tell you, having thirty million people in this country without health insurance and having those people show up when they get sick, and expect someone else to pay, that's a Democratic approach. That's the wrong way. The Republican approach is to say, "You know what? Everybody should have insurance. They should pay what they can afford to pay. If they need help, we will be there to help them, but no more free ride."

Romney's goals in originally proposing health care reform in Massachusetts included:

- **One of his main goals was to have, as a minimum, an economical, bare bones policy that covered hospitalization and catastrophic illness. That's real insurance, not just a payment system. That accomplishes the stated goal of Obama to prevent bankruptcy "just because you get sick."**
- Romney did want to insure all state citizens.
- To his credit he wanted to counter many more liberal attempts in Massachusetts to have a governmental takeover of the health care system. Several fairly radical plans had been attempted in the past, and prior to introducing RomneyCare, an employer mandate coupled with a heavy new payroll tax was to be voted on very soon.
- He wanted to involve the private sector of Massachusetts in insuring this small percentage of the Massachusetts residents who didn't have health insurance and were receiving expensive free health care from the government.
- If health care reform was to be accomplished, Romney truly believed the best way to do that was to start at the state level.

Take note of what Romney wrote in his 2010 book "No Apology":

My own preference is to let each state fashion its own program to meet the distinct needs of its citizens. States could follow the Massachusetts model if they choose, or they could develop plans of their own. These plans, tested in the state "laboratories of democracy," could be evaluated, compared, improved upon, and adopted by others.

What could be more inherently and traditionally conservative than that? Isn't that Federalism at its finest? And he wrote those words before he began taking the heavy grief,

from both sides, as to RomneyCare. I bet he knew it was coming. Romney's statement restates faithfully what our Founders had in mind in giving the states broad latitude in powers as compared to the federal government. Check it out! Read all about it in The Federalist Papers! In keeping with this, Romney has said that on his first day in office he will give the states the option of opting out of ObamaCare while he works with Congress to formally repeal the legislation.

Better and better! That's what I'm feelin' about Mitt! Let's push onward even farther!

Romney Made Aggressive Use of the Veto Stamp – but was Overridden EVERY TIME!

Governor Romney vetoed several portions of RomneyCare, including an employer mandate. I found some information which reflects his disagreement with the direction taken by the Democrats in the legislature. Note that some of these are similar to objectionable parts of ObamaCare. His objections included the following vetoes:



- Section 5 – Created a public health council.
- Section 29 – Provided coverage to non-citizens – qualified aliens with permanent status. Also granted certain dental benefits.
- Section 47 – Required employers of more than 11 full-time employees to pay a per-employee “contribution” if uninsured.
- Section 112 – An amendment seeking a waiver from the federal government to implement the act. It detailed terms and conditions for Medicare and Medicaid reimbursement (to the federal government).
- Section 113 – Detailed requirements of behavioral health services and funding by Medicaid; determined which businesses qualify as behavioral health services.
- Section 134 – Required a report by department of labor and division of health care finance and policy on effectiveness of the new law.
- Section 137 – Requirements of the public health council (which he opposed in section 5 above).

Obviously I don't know what was behind several of these. The important point is to realize he did try to tone down and revise the legislation which was being manipulated by the very liberal Massachusetts legislature.

You have to give Romney credit for at least trying! In the final analysis he signed the legislation. Notwithstanding the above, should he be criticized for doing so? I understand how compromise is sometimes necessary. The final legislation was broadly supported by the legislature and the public. He did his job by supporting reform, attempting to make it as good as possible, and in the final analysis, he properly signed the law – with expressed reservations.

I'm gettin' OK with what I'm seein' so far!

Similarities

There are some similarities between ObamaCare and RomneyCare – sometimes important, but often superficial. Similarities would include the provisions for mandate, penalties, subsidies, and exchanges, among others. Here are some more specific items:

- **ObamaCare:** Created online marketplace for small employers to compare plans and options, and save administrative costs. **RomneyCare:** Very similar.
- **ObamaCare:** Made investments to improve wellness, prevention, and public health. **RomneyCare:** Very similar.
- **ObamaCare:** Eliminated lifetime and annual caps on coverage, limited annual maximum to consumers. **RomneyCare:** Eliminated annual caps on coverage, limited maximum amount that consumers pay annually.
- **ObamaCare:** Required employers with 50+ employees to offer insurance or pay a “penalty” under certain circumstances. **RomneyCare:** Required employers with 11+ workers who do not offer insurance to pay a penalty.
- **ObamaCare:** Offered tax credits to Americans with incomes up to four times the federal poverty level. **RomneyCare:** Offered subsidies to residents with income up to three times the federal poverty level.
- **ObamaCare:** Extended Medicaid eligibility to low-income Americans. **RomneyCare:** Extended coverage to low-income state residents through federal-state Medicaid.

One important thing should be pointed out! Romney originally decided to accept the “mandate” concept because he thought individuals would be able to purchase **the very reasonably priced “no frills” hospitalization/major medical/catastrophic plans**. This would serve as a remedy for what Obama says he wants to prevent – “going bankrupt just because you get sick.” Romney obviously didn’t get all that he wanted – far from it. But he understood the conservative approach.

OK? That doesn’t **quite** “get me there”! There’s gotta’ be more!

Differences! This is Where the Rubber Hits the Road!

The similarities quickly become superficial when one takes the time to drill down into the details of the two reform legislations. Here are some examples of those differences, along with some commentary on how Romney opposed parts of the final law:

- **ObamaCare:** A means to an end – just a stop along the way in the journey to single payer, governmental health care. **RomneyCare:** An end in itself – to insure all citizens.
- **ObamaCare:** The main goal is to regulate health care and control the costs of the health care industry. **RomneyCare:** Insure all state citizens – not a focus on just cost.
- **ObamaCare:** Puts heavy controls on requiring “minimum creditable coverage.” That means, full/expensive/“first dollar” coverage. It undermines the whole concept of the VERY successful use of “health savings accounts.” Obama wanted to expand the payment system in addition to providing access to insurance. **RomneyCare:** Romney intended to have, as a minimum, a bare bones policy that covered hospitalization and catastrophic illness. That’s real insurance, not just a payment system.



- **ObamaCare:** Politicians and citizens are sharply divided. Some opposition is based on the constitution, while others are more “libertarian” in nature. **RomneyCare:** Bipartisan and constituent support was in place. Informed observers support a state’s right to enact legislation like this.
- **ObamaCare:** Little bipartisan input was sought by Obama and Democrat majority. **RomneyCare:** Broad bipartisan input in forming this legislation. While the majority of the citizens of Massachusetts continue to approve of RomneyCare, they overwhelmingly don’t approve of Obamacare – witness the election of Republican Scott Brown to fill Ted Kennedy’s Senate seat.
- **ObamaCare:** Heavy regulatory and controlling in nature. **RomneyCare:** Less so by far, and Governor Romney attempted to veto the employer mandate and favored an “opt out” provision.
- **ObamaCare:** This was originally intended to be “single payer.” Early in the process, Obama and others, including Senator Bernie Sanders of Vermont, have stated this could be the first step to single payer government insurance. Obama once stated “I happen to be a proponent of single-payer universal health care plan.” They were forced to stop short in this iteration, but the door is still open. **RomneyCare:** I don’t see “single payer” ever having been a goal in Massachusetts.
- **ObamaCare:** Clearly an enactment of a health system heavily regulated by the government. Some indications are that a government run system is the goal for many Democrats. **RomneyCare:** Clearly intended to be, and apparently still is, primarily a business friendly market driven system.
- **ObamaCare:** 2070 (or so) pages. **RomneyCare:** 74 (or so) pages. That’s about 2,000 pages different, and that can represent a lot of substantive differences particularly when it comes to the minutia of regulations coming from general statements such as “The Secretary shall”, and the creation of **many dozen** separate offices, bureaus, bureaucracies, departments, etc.
- **ObamaCare:** Designed as “one size fits all.” This law ignores that each state is unique in important ways such as debt levels, percentage of uninsured citizens, and basic governance philosophy of its citizenry. **RomneyCare:** Specifically designed for Massachusetts and the unique goals of Romney and the legislature – which are very different than Obama’s vision.
- **ObamaCare:** Most significant stated goal was reducing dollars spent on health care (there were other lesser goals of course). **RomneyCare:** The obvious primary goal was to provide access to insurance for approximately 8% of the population. Cost reductions weren’t anticipated by most, and in fact they haven’t seen reduced costs.
- **ObamaCare:** The experience with governmental costs has been anything but a reduction, and in fact we are expecting costs to increase by \$1 trillion or more in the next few years. The ultimate overall costs are as yet unknown! **RomneyCare:** From my research, taxes were not increased to fund the Massachusetts plan and governmental cost increases have been modest.
- **ObamaCare:** Some true costs of the plan are being temporarily hidden by “borrowing” from Medicare while not including those costs in the total – a blatant example of double counting (I’ve dealt with this in prior reports along with other budgetary “slights of hand”). **RomneyCare:** It costs what it costs. Health care consumers pay the costs, with some subsidies for those in lower income categories.

- **ObamaCare:** The costs are met through taxes or borrowing – thereby increasing the national deficit. **RomneyCare:** The state budget was essentially balanced before passing RomneyCare, and the increase in expenses for the state were minimal.
- **ObamaCare:** No public consensus could ever be built supporting the method of achieving the individual mandate. **RomneyCare:** Broad consensus was built to support an individual mandate. Like it or not, it is clearly in the state’s power to do so.

Concluding Comments

Governor Romney proposed legislation that was more conservative, business friendly, and bipartisan than ObamaCare. I concede that he signed a bill that reflected several important overrides of his vetoes – but I understand and accept why he did that.

The Boston Globe editorial board recently stated:

..... the role Romney played on the state level was skillful, creative, and business friendly. Romney was a governor sensitive to business concerns and worried about the state’s business climate.

The New Yorker magazine recently stated that:

Romney had accomplished a longstanding Democratic goal – universal health insurance – by combining three conservative policies.

Please note that they used the term “universal,” in the context which means “everybody has it.” It is not used here in the context of “single payer” or “governmental” health care. That’s an important distinction! This article is proclaiming that Romney had beaten Democrats at their own game using conservative principles, NOT with a governmental takeover.

OK, Mitt! I’m with you on this issue. Just make sure you do all you can to get others to join me. I’m going to do my best to bring them along! You do yours!