

## HEALTH CARE REFORM – HAVE I CHANGED MY MIND?

Stephen L. Bakke – November 19, 2009

### Review of My Prior Comments and Recommendations

The basis of my previously expressed recommendations for health care reform was centered on the following principles and goals:

- I support comprehensive health care/insurance reform. We need changes but they should not include a “public option” which, I am certain, would lead to rationing. “Doing nothing” is not the best option.
- Health care decisions and funding should be controlled by individuals and families who should buy and own their own health care policies. These policies should have options for various coverages suited to individual needs. This separates health coverage from employment and eliminates the “portability” concerns under the current employer based system.
- My plan would come with guaranteed insurability without the possibility of denial for preexisting conditions on any purchase of major medical/catastrophic coverage. This could be provided for in any reform legislation.
- Obviously, there could be rampant abuses caused by the prior item. Clever, but irresponsible, citizens could simply wait until faced with a medical problem before applying for guaranteed coverage. That would be an unfair burden on the insurance industry. On this item I would have to philosophically “bite the bullet” and require all citizens to purchase major medical/catastrophic coverage. I think that is a reasonable requirement because that coverage is surprisingly cheap – and major medical problems are obviously the most ruinous, financially, when they occur. I continue to be comfortable with this philosophical compromise of requiring the purchase of this basic insurance – it’s not a perfect world.
- Permitting insurance companies to compete across states lines would promote real competition. Some say: “the free market hasn’t worked so far, why will it work now?” What free market? Government regulations now prevent competition because companies are prohibited from selling across state lines. This would create true competition without introducing the implications of a “public option”.
- But how do we make even “reasonably priced” coverage affordable to those in the lower income levels. No new bureaucracy is necessary. No new commissions need to be created. We have the agency already in place. It’s the IRS. If certain income levels are to be given favor in the ultimate cost of health care, we just use the tax system to accomplish those goals. We set up an appropriate system of tax credits and refundable tax credits which relate to any medical expenditure – insurance or payment for service.
- And for those who (wisely I believe) purchase only major medical/catastrophic coverage, and choose not to buy any insurance for routine regular care and other “first dollar coverage”, Health Savings Accounts (HSAs) are the logical answer. Taxpayers could put dollars aside in these accounts which would build year to year for use to pay for routine care and to pay for major medical/catastrophic

- insurance coverage. The regular contributions to these accounts would be given generous deductibility or tax credit status, and scaled based on taxable income.
- Tort reform must occur. That's huge in its implications. 'Nuff said on that!
  - The role of government should be to facilitate reform through legislative, tax and regulatory policies, not as a national health care administrator. **LEGISLATE AND FACILITATE – BUT DON'T STIPULATE!**
  - If achieving cost savings is a significant goal, I believe this fairly simple structure should be successful because it creates no new bureaucracy, introduces true competition, addresses tort reform, and puts purchase and treatment decisions in the hands of the consumer

There's much more detail – but you'll have to go back and look.

### **After Two Months, What Recommendations Would I Change?**

I guess I have to give up on something. OK – I believe the most unlikely suggestion I presented was to move insurance regulation from the state to the Federal level. My logic for this was that since I was now permitting competition between insurance companies across state lines, it made sense that the regulation should also not be limited to the states.

Shame on me! I have been reminded by others that federal regulation would likely be challenged in the courts as being **UNCONSTITUTIONAL!** The U.S. Constitution does not give the Feds the power to regulate the insurance industry. That means it is left to the states. As conservatives always preach: “If it ain't in the Constitution, the Feds don't get to do it!” This relates to concepts referred to as “enumerated powers”, and “states' rights”, etc. etc. – about which I'm no expert.

It wasn't a very good idea anyway. On that one I peacefully surrender and admit defeat.

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I have had several questions posed to me about new arguments and concepts which are coming up as the debate continues in the House and Senate. In future reports I will attempt to address several of those while trying not to make too many redundant comments or arguments which I may have presented in my earlier reports. You didn't think you were going to be done with my “health care rants” did you?

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I extend thanks, as always, to the many writers, commentators, researchers, and others, from all political extremes, whose hard work helps me greatly. They gather details and present much information. About all I do is gather, organize, summarize, and attempt to fill in with comments – commonly referred to as my frequent **“RANTS”**.

More comments will follow on important topics and personal thoughts as our President battles through tough territory. I want to join other conservatives in recognizing and respecting our new President – and supporting him when we should. But when we oppose our President's policies, we should act in accordance with values of decency – but that doesn't preclude a healthy dose of sarcasm and satire, which are valuable tools for political commentary.