

**Republican Perspective**  
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by Ed Manning

## **AN ALTERNATIVE HEALTH INSURANCE APPROACH**

*“The problem with socialism is that you eventually run out of other peoples' money.”*  
*Margaret Thatcher*

Almost six years after its implementation, the Patient Protection and Affordable Care Act (Obamacare) remains a highly unpopular piece of legislation. Let's be clear, Obamacare has little to do with health care but more to do with statistis controlling our lives. Obamacare is not meeting its lofty goals and Republican candidates vow to “repeal and replace.”

What are alternatives to this behemoth that has placed the Federal government between the doctor-patient relationship and usurps personal and religious freedoms? One alternative might be to change the tax treatment of health care.

Employer health insurance is a product of World War II. Companies were looking for ways to reward employees while under wage and price controls. Employer provided health insurance filled the bill and it was tax deductible.

One issue with Employer provided health insurance is that it hides the true cost of care from the employee. It drives up usage while favoring highly paid employees more than lower wage employees. The insurance is not portable, making changing jobs problematic.

It may be time to reform the tax treatment and offer workers the ability to shop for health insurance plans. Employers will stop providing health insurance and increase an employee's wages by the like amount of the cost they incurred. Employees can then deduct the insurance cost from their taxes. Such treatment would make the system simpler and fairer. We currently shop for insurances for automobiles, homeowners, etc. Is health insurance so complicated that Americans can't decide what is best for them?

While replacing Obamacare, lawmakers should modernize Medicare. Established in 1965 as part of President Lyndon Johnson's “Great Society,” it is generating trillions in dollars of long-term debt. We are saddling future generations with an unfair burden. And Medicare is funded by a workforce that is shrinking compared to the growing number of retirees.

Medicare is a central planners dream with price controls that doctors cannot meet. Each year Congress agrees to Medicare supplemental funding to fix this problem. Obamacare imposed hundreds of millions of dollars of cuts to Medicare providers and redistributes these savings to fund it's costly entitlement programs.

The conservative think tank, the Heritage Foundation, suggests reforming Medicare from a defined-benefit to a “premium support” model. Under this approach, seniors would receive the value of their Medicare benefits in the form of a government contribution to purchase the private health insurance plan of their choice. The Feds would make payment directly to an individual’s insurance provider. Heritage believes it “would allow more dependable budgeting for both seniors and the government and inject the powerful free market forces of choice and competition into the program to meet the needs of today’s seniors.”

When addressing Medicare, policymakers should also tackle Medicaid, the federal–state program for the poor, elderly, and disabled . Obamacare expanded Medicaid eligibility to additional millions of citizens, further straining the financial condition of the program. The Congressional Budget Office projects that Medicaid enrollment will increase dramatically in the coming decade, largely due to the effects of Obamacare.

Again, Heritage argues for policymakers to consider adopting a “premium support” approach to transition able-bodied low-income families into the private health insurance market where they can secure superior care and coverage while refocusing traditional Medicaid on the difficult to insure and the disabled.

Republican Presidential candidates should offer solutions to the financial burden that Social Security, Medicare and Medicaid will be placing on future generations. How long will young workers agree to see larger amounts of their paychecks going to fund retiree programs headed towards bankruptcy?

Democrats continue their mantra that Obamacare is a success. Yet the vast majority of gains in coverage since Obamacare took effect were due to the vast expansion of Medicaid. Of the 9.25 million who gained coverage during 2014, 8.99 million was the result of increased Medicaid enrollment, while private individual-market coverage saw a net increase in enrollment of just 260,000 people.

How is it a success when Americans are experiencing higher insurance deductibles, less coverage and the need to find a different doctor? More puzzling is the Progressives wish to adopt a single-payer system. We don’t have to look to Europe or Canada to see how it works. We already have it - the Veteran’s Administration which has completely failed our vets.

Regardless of political persuasion, Social Security, Medicare and Medicaid are on an unsustainable financial path. If we are going to leave the country in better shape than we inherited, a debate addressing solutions is necessary. To my Progressive friends, “it’s for the children.”