

MIDLANDS VOICES

Shrinking of health care makes Obama plan flawed

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The Obama administration's efforts to reform health care and tax policies present a basic value question for Americans: What costs are we willing to bear to enhance the appearance of equality? Stated differently, is it worth shrinking the size of the pie to reduce disparities in the size of the pieces?

President Barack Obama's approach to reform is rooted in concerns about disparate outcomes in health care delivery and the production of wealth.

Health and wealth, when paired with wisdom, can provide a solid foundation for human flourishing. Much like food and shelter, all people desire basic health care. However, like food and shelter, health care is a limited resource, not an unlimited free good.

We have generally allowed markets to allocate food and shelter, with minimal government intervention, and have provided a safety net for those unable to purchase them. Private charities also provide significant benefits. Many of these charities are motivated by religious principles rooted in caring for one's neighbor.

In the case of health care, government intervention has significantly reduced the role of the marketplace. Medicare and Medicaid have enhanced access for the elderly and poor. For those outside of these programs, employer-provided insurance has become the preferred means of bearing health care costs. Some remain uninsured,

whether involuntarily (due to unemployment) or voluntarily (due to preferring other goods or personally assuming these costs).

Admittedly, a variety of problems exist in this system. Some uninsured externalize costs by using medical care without paying for it. Some insured also may consume irresponsibly, due to poor health practices and a lack of personal accountability when costs are borne by third parties.

But within this system, consumers, intermediaries and providers retain significant choices:

Medical savings accounts allow market discipline to affect conservation in consumption behavior. Employer-sponsored wellness programs incentivize healthy living. Patients are free to spend more of their resources to obtain more extensive benefits than the norm. Providers are also free to choose the kind of services they wish to deliver.

Health care costs have risen significantly, but so have advances in modern medicine. Policy concerns about spending a rising share of our gross domestic product on health care should not bother us as long as spending growth reflects voluntary choices.

Concerns are appropriate, however, when a substantial portion of these costs will be borne by a government without the apparent means to finance them.

Obama's approach to this problem — rather than returning more discretion to individuals and moving toward more market-based reforms — is to increase the role of government. The current plan would not achieve reductions in health care costs, but it would ulti-

mately eliminate innovations like health savings accounts and impose equality through constraining choices.

Reducing inequality will come at a steep price. Those finding consolation in the religious ideal of caring for one's neighbor may be shocked to learn that this newfound equality may ultimately be imposed with an iron fist.

Religiously affiliated medical providers may be forced to violate their own tenets by providing abortion or euthanasia under the guise of government-sponsored medical care — and the rest of us would be forced to pay for it.

Once the state bears the cost burden, the integrity of costly beginning- and end-of-life decisions is undoubtedly at risk. Choices will be limited for the presumed good of the community. Health care will not become a free good; it will be rationed by bureaucrats.

To finance this health care initiative, Obama's plan is to raise tax rates on the "rich." This accomplishes a similar equality-based goal of redistributing wealth from the most productive citizens.

Redistribution comes with a cost. Higher taxes make work less rewarding, which will cause some to forgo additional work and choose leisure. This will adversely impact others who work with or for them.

High-earning professionals who choose to take an extra day off each week won't need a receptionist or cleaning crew on that day; these lower-paid working people will be casualties of the "tax the rich" plan.

The economic pie will be smaller and no more tasty. We can do much better than this.