



Written by [Michael Tennant](#) on May 30, 2010

Dr. Ron Paul's Cure for ObamaCare

When the U.S. financial system went into cardiac arrest in 2008, most Washington politicians raced to the nearest microphone to declare that one of the most heavily regulated sectors of the economy was suffering not from an excess of regulation and artificial stimulation but from an excess of capitalism. They proposed, and enacted, numerous additional regulations and so-called stimulus plans to rectify the situation.

Similarly, as costs in the healthcare sector continued to spiral out of control, most politicians blamed it on the allegedly greedy, heartless insurance companies rather than on the regulations, tax policies, and government programs that have led to the present situation. Their solution, once again, was to enact further regulations, including a mandate requiring individuals to purchase health insurance from the very insurance companies these same politicians had demonized.



Fortunately, there are still a few people in Washington who recognize that the problem with the healthcare sector is not too little government but too much — and that ObamaCare only exacerbates the problem. Foremost among those is Rep. Ron Paul (R-Texas), who [explained](#):

The major problems with American health care are rooted in government policies that encourage excessive reliance on third-party payers. The excessive reliance on third-party payers removes incentives for individual patients to concern themselves with health care costs. Laws and policies promoting Health Maintenance Organizations (HMOs) resulted from a desperate attempt to control spiraling costs. However, instead of promoting an efficient health care system, HMOs further took control over health care away from patients and physicians. Furthermore, the third-party payer system creates a two-tier health care system where people whose employers can afford to offer “Cadillac” plans have access to top quality health care, while people unable to obtain health insurance from their employers face obstacles in obtaining quality health care.

Paul has introduced two pieces of legislation to help rectify the situation. The first, the End the Mandate Act (H.R. 4995), which he introduced on April 13, would repeal the individual mandate to purchase health insurance, the centerpiece of ObamaCare. Introducing the bill, Paul [said](#), “Forcing every American to obtain a congressionally-approved health insurance plan is not just unconstitutional; it is a violation of the basic freedom to make our own decisions regarding how best to meet the health care needs of ourselves and our families.”

On May 27 Paul introduced his second bill to restore some freedom to the healthcare arena: the Private



Written by [Michael Tennant](#) on May 30, 2010

Option Health Care Act (H.R. 5444). In his speech on the House floor introducing the bill, Paul said, "This bill places individuals back in control of health care by replacing the recently passed tax-spend-and-regulate health care law with reforms designed to restore a free market health care system."

The bill addresses several issues in the healthcare system. First, using tax credits and deductions, it allows individuals to purchase health insurance and services without facing tax penalties. Among other things, it provides a tax credit for all healthcare expenses that is, says Paul, "fully refundable against both income and payroll taxes"; and it makes all medical expenses tax deductible. Second, it exercises "Congress's authority under the Commerce Clause to allow individuals to purchase health insurance across state lines," according to Paul, which promotes competition among a nationwide variety of insurance providers instead of forcing people into a handful of insurance plans approved by their state governments. Third, it provides, says Paul, "a tax credit for negative outcomes insurance purchased before medical treatment," which will expedite awards for malpractice without the time and expense of litigation, in turn, Paul hopes, "reducing the burden of costly malpractice litigation on the health care system." Fourth, it allows individuals to import drugs that have been approved by the Food and Drug Administration; the only way the FDA can deny an import request, Paul says, is if "the drug is either not approved for use in the United States or is adulterated or misbranded."

The overall thrust of the bill, then, is to increase competition among health insurers, healthcare providers, and pharmaceutical companies since patients will be more likely to foot the bill for their own healthcare and will have more options from which to choose. Unlike the phony competition that ObamaCare allegedly introduced into the healthcare system, the competition introduced under the Private Option Health Care Act will actually improve quality and reduce costs.

Even if both bills become law, which seems unlikely at this time, the United States will still be a long way from an entirely free market in healthcare. Nevertheless, both are significant and excellent steps in the right direction. You might even say they're just what the doctor — Dr. Paul, that is — ordered.

Photo: Ron Paul

Michael Tennant is a software developer and freelance writer in Pittsburgh, Pennsylvania.



Subscribe to the New American

Get exclusive digital access to the most informative,
non-partisan truthful news source for patriotic Americans!

Discover a refreshing blend of time-honored values, principles and insightful perspectives within the pages of "The New American" magazine. Delve into a world where tradition is the foundation, and exploration knows no bounds.

From politics and finance to foreign affairs, environment, culture, and technology, we bring you an unparalleled array of topics that matter most.



Subscribe

What's Included?

- 24 Issues Per Year
- Optional Print Edition
- Digital Edition Access
- Exclusive Subscriber Content
- Audio provided for all articles
- Unlimited access to past issues
- Coming Soon! Ad FREE
- 60-Day money back guarantee!
- Cancel anytime.