



GOP-favored Alternatives to ObamaCare

Though a recently released report by House Minority Leader John Boehner (R-Ohio) does a fairly thorough and convincing job of contrasting the reality of ObamaCare with Democrats' promises concerning it, the report is much less convincing when it advocates GOP-favored alternatives, which could be described as ObamaCare lite.



Boehner's report is entitled *ObamaCare: Three Months of Broken Promises* ([PDF](#)). On page 35, the report hails Rep. Wally Herger's (R-Calif.) May 27 introduction of the Reform Americans Can Afford Act (H.R. 5424), which is supported by the House leadership, and Sen. Orrin Hatch's (R-Utah) June 17 introduction of two pieces of legislation, one of which (S. 3502) repeals the ObamaCare individual mandate and the other of which (S. 3501) repeals the employer mandate. It also touts a June 15 vote on Rep. Dave Camp's (R-Mich.) bill to repeal the individual mandate.

Rep. Ron Paul (R-Texas) had, however, [beaten all of them to the punch](#), introducing his own End the Mandate Act (H.R. 4995) on April 13 and following it up with the Private Option Health Care Act (H.R. 5444) the same day as Herger introduced his bill. Paul's bills are much simpler and more straightforward than the leadership's bills, and they would force the federal government to relinquish far more control over people's healthcare spending than the leadership's rather timid legislation would. Perhaps preferring privilege to principle, the leadership fails even to mention Paul's bills in its report.

Rep. Herger's [Reform Americans Can Afford Act](#) is, in truth, a mixed bag. Its best features are those it has in common with Paul's bills; other features make claims almost as ludicrous as those the Democrats made about ObamaCare; still others are ObamaCare Lite. Even the good points, though, frequently come with caveats and restrictions that will limit the good they will do.

By far the best part of the bill is Section 3, which fully repeals both laws that make up ObamaCare: the Patient Protection and Affordability Act and the Health Care and Education Reconciliation Act of 2010.

Section 4 then calls for the enactment of H.R. 4038, the [Common Sense Health Care Reform and Affordability Act](#), which was introduced in the House back in November. This is where things start to get more complicated.

The Boehner report claims that the bill "will lower health care premiums by up to 10 percent — and up to 20 percent compared to the Democrats' health law — for families and small businesses." At the same time, however, it also establishes "Universal Access Programs" at the state level and further restricts



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insurers' abilities to reduce their own outlays. Whatever savings the bill produces are likely to be negated by the costs of these provisions.

Unlike Paul's approach, which is to encourage individuals to take more control over their own healthcare spending by getting government out of the way, the primary means of reducing premiums in Herger's bill is to pay state governments to find ways to reduce them. This will likely succeed only in getting states to enact price controls on health insurance premiums, exacerbating the very problem that the bill is supposedly trying to solve. Sure, the premiums will go down, but so will the benefits. Insurance companies, contrary to popular belief, are not endless fountains of cash.

Universal Access Programs, says the report, will "guarantee that all Americans, regardless of pre-existing conditions or past illnesses, have access to affordable care"; the report also laughably claims that this can be done concurrently with "lowering costs for all Americans." The programs are essentially state-subsidized insurance, whether through a reinsurance program or a high-risk pool, that must accept all comers regardless of how much they are likely to cost taxpayers. The GOP, which claims the mantle of fiscal responsibility (though the George W. Bush years pretty well put paid to that claim), is prepared to spend \$25 billion of taxpayers' money over the next 10 years, in addition to any other appropriations, to fund socialized medicine for those most likely to drain the system. This is an *alternative* to ObamaCare?

The bill piles more regulations onto insurance companies. First, it prohibits insurance companies from applying "an annual or lifetime aggregate spending cap" on any of their policies. Second, it guarantees that insured persons who are in danger of having their policies rescinded have the right to a third-party review of the decision, with the insurance policy remaining in force pending the arbitrator's decision. Boehner oversells this as a prohibition on insurers' canceling policies "because an enrollee made simple errors on an insurance application form." Third, it requires insurance plans that cover dependents to do so until dependents reach age 25 — hardly different from ObamaCare. The report deceptively refers to this as "encouraging" insurers to cover young adults, though what it really does is encourage them not to cover dependents at all. All of these will have the effect of increasing insurers', and consequently their customers', costs.

Sections 301 - 310 of the GOP bill enact a variety of medical malpractice lawsuit reforms in an attempt to rein in frivolous lawsuits and excessive awards and attorneys' fees. These rules apply to lawsuits filed in either federal or state courts, though some exceptions are made for existing state laws. While these might not be bad ideas, where in the Constitution is the federal government granted the power to set statutes of limitations or limit awards (both of which this bill does) for cases tried in state courts? (Paul's bill provides tax credits for the purchase of negative outcomes insurance, which he believes will relieve much of the burden of malpractice lawsuits on the court system and expedite resolution of malpractice cases, though that remains to be seen.)

Most of the remainder of Herger's bill consists of generally good ideas — allowing small businesses to join together to obtain lower-cost health insurance, permitting the interstate purchase of health insurance, and enhancing health savings accounts — that are codified by pages and pages of legalese likely to make implementing them burdensome and not really accomplish the lofty goals they are supposed to achieve. For example, the section related to interstate health insurance purchases takes up 28 pages; in Paul's bill (itself a mere 18 pages as compared to Herger's 220), it consists of a single sentence.

The House leadership, then, has produced an alternative to ObamaCare that claims to be market-based



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but is, in fact, a mere substitution of Republican mandates for Democrat mandates. Some of it — particularly the repeal of ObamaCare — is very good; some is possibly well-intentioned but drowning in rules and regulations; the rest is just ObamaCare warmed over. Meanwhile, Paul's alternative involves simply reducing people's tax burden in proportion to the amount they spend on healthcare (plus allowing interstate insurance purchases and importation of prescription drugs). One version keeps control in Washington, doling out bits of freedom to individuals and businesses as Beltway Republicans see fit but essentially keeping the third-party payment structure — the primary cause of skyrocketing healthcare costs — intact. The other trusts people with the freedom to spend their own money, recognizing that reducing, not increasing, people's dependence on third-party payers is the key to bringing healthcare costs under control.

Americans could do worse than the Herger bill — ObamaCare could remain the law of the land, for example — but they could also do far better. That the GOP leadership is pushing Herger's bill and ignoring Paul's is further indication that the Republican Party has no intention of reducing government's role in our lives; Republicans, Paul excepted, just want to be the ones in charge.

Photo: House Minority Leader John Boehner

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