

From Those Wonderful Folks Who Brought You  
Katrina:  
Socialized Health Care

**The Big Lie told by supporters of “universal” health care plans (socialist medicine) is that it is antidote to the current, grossly unfair situation, where the costs of providing emergency and other care to millions of uninsureds passes to you in higher than necessary premiums.** That situation certainly does exist and it is true that you and I pay premiums calculated to cover our needs plus reimburse the the hospitals for giving care to these uninsureds. But institutionalizing the administering of all the care and the monies paid for the care by a government bureaucracy will do nothing to solve the problem – some will still pay for others who won’t – but will add layers of costs and further distance control from the patients and their doctors. Whatever savings that might be had by forcing lower prices from drug companies, hospitals and other providers will disappear into the new costs of federal bureaucracy. Furthermore, there’s no evidence anywhere that government can function better than private sector, so everybody should expect declines in quality and service, limits and delays on access, and exodus of the best doctors. Do you really want the people who run the Post Office, the DMV, Katrina response and recovery standing between you and the health care you need? Simple logic and experience say no.

The Big Lie told by Obama is that a ‘universal’ system can be implemented without forcing everyone to participate. To her credit, Hillary told the truth about this and, to his discredit, Obama has not. The “Hillary Plan” is the more doable and likely of any, so let’s consider it for a few minutes. When we do, we’ll find deception there too. When you hear that Hillary is going to force *everybody* to buy health care (or Obama say: *almost everybody*...or, at different times, ony parents of small children), it’s logical to think that your own premiums and costs will go down. It’s a lie.

**Hillary grudgingly admitted three things about her plan:** one, she intended to levy the costs on people based on their ability to pay; two, the overwhelming majority of the uninsured can afford to pay nothing or next to nothing; so, three, **this has to be administered as a tax**, mandating by law everyone’s participation and collecting it by force if need be. In short, you and I cannot opt out and self-insure and pay as we go. The IRS will take our “premiums” from us by force. Here’s why: the tax must be tiered just like income taxes. So, the better you are doing financially, the more you’ll pay as a percentage of your gross income.

Assume that some 20 million uninsureds are plugged in, with 80% unable to afford to pay anything. In addition, everybody now paying no income tax will also be excused from health care tax. People with low incomes and large families will be judged unable to afford this new tax and excused from it. That means a small percentage of taxpayers must bear the entire burden. And that burden is estimated by different experts to range from \$150-billion to \$1-trillion per year. So, let’s make some assumptions just for sake of example. If you make from \$50,000.00 to \$100,000.00, you’ll pay 3% of your

gross income as health care tax; \$100,000.00 to \$250,000.00, you'll pay 5%; from \$250,000.00 to \$500,000.00 – 7%; from \$500,000.00 to \$1-million – 10%, and above \$1-million – 12%. I'm not sure those percentages are high enough. I suspect they are not. But, it means if you make \$500,000.00, your health care tax for the year will be \$50,000.00. Are your current premiums \$50,000.00? I doubt it. Under such a formula, mine will increase from less than \$4,000.00 a year to about \$300,000.00 a year. Under any formula, most people now paying for health care will see their costs for it RISE.

People confronted with such outrageous increases --- from thousands a year to \$25,000.00, \$50,000.00, \$100,000.00 – would be tempted to opt out, bank the money as self-insurance and pay as needed. At \$300,000.00, I guarantee I would. But Hillary-style plans cannot permit us to do that, because if many of us suddenly being hit with these outrageous taxes opted out, the whole plan collapses. Funding for any sort of universal health care has to be a tax; the \$300,000.00 taken from me at IRS gunpoint in order to pay the premiums for all the people given health care for free.

**The inescapable fact is: only a teeny, tiny, miniscule number of people will see their health care premiums decrease;** those paying now, earning very low incomes who will “drop down” to her free level. EVERYBODY ELSE, nearly everybody else will pay a higher health care tax than they currently pay in premiums. Further, the more you earn, the more you'll pay. Since health care is a commodity and a service, this is akin to saying when you go to the grocery store to buy milk, some people will get it free, people with household incomes of \$50,000.00 will pay \$2.00, but people with household incomes of \$200,000.00 will pay \$200.00 a gallon. Same for gasoline. And don't put *that* past the socialists.

**Fact is, YOUR health care tax will be substantially higher than you currently pay or need to pay in insurance premiums for outstanding coverage.** In truth, Hillary or, now, Obama, in promising universal health care actually propose, by far, the largest tax increase in the history of the country. Simultaneously, the largest confiscation of private enterprise and private property ever to occur anywhere but in communist countries.

Insult to injury, the quality of the health care will go down, bureaucratic bullshit multiply, just as with every other thing moved from private enterprise to government control. If you can, you will probably go outside the government system and buy your health care from high quality providers also outside the system – and in many cases, outside the U.S. – even while also paying the tax.

If you happen to be a very low paid, poor person now going without health insurance or without good health care, this might still sound good *to you*. After all, what do *you* care what costs are piled on high income people? But that is short-sighted and ignorant, which is understandable; there's a reason you're poor and staying that way, and it's not lack of opportunity. To enlighten you, whenever new taxes are heaped upon people who own or control businesses – which is the majority of high income people, they take it out of the hide of lower income people three ways: they raise prices, they

reduce or suppress wages, they cut or outsource jobs. So you might get a nice health insurance package for free at us richy-rich folks' expense, but then you won't get a raise for a decade if you keep your job at all, and you'll find the prices of *everything* you buy leaping sky-high, and since you spend all your paychecks on necessities, that combo of wage freezes, rising unemployment and runaway inflation'll kill you. Free health care will be small consolation.

**The only good thing that could come of this is exit by employers from the entire mess. They should be out.** People should be responsible for and paying for their own health insurance – and required by law to have it, just as we require people to have auto insurance to drive or mortgage insurance if borrowing money to buy homes. Right now, in U.S. manufacturing, health insurance adds \$2.38 per hour to employers' cost, compared with less than \$1.00 all the way down to zero for foreign manufacturers, putting American industries at extreme competitive disadvantage, and motivating movement of manufacturing jobs offshore. According to the Institute of Medicine, a federal advisory group, nearly 20,000 Americans die each year just because they lack access to care that basic insurance would afford them. It would be interesting but politically incorrect to wonder how many of those 20,000 have monthly bills for cellphones, cable TV, second automobiles and other unnecessary luxuries that total more than the tab for insurance. More importantly, there are tens of millions of Americans without coverage, putting themselves and their families at risk while piling burdens on those of us who do act responsibly. This *is* madness. But its fix is not more transfer of responsibility, less private enterprise competition – after all, a problem now is lack of policy ownership and portability and restrictions on open competition. The answer lies in combining McCain's tax credits plan with full and complete health insurance portability, disconnect from the employers, open competition across state lines, and everyone required by law to have at least basic coverage – with, of course, direct government subsidy or Medicare-like substitute only for those proven to be completely incapable of paying and requiring welfare. This is a privatization plan, not a socialist plan. While Governor of, of all places, Taxachusetts, Mitt Romney succeeded at installing a program like this, while Governor Schwarzenegger was thwarted by the California legislature. Some version of this FULL privatization is the only possible pathway to significant improvement.

If *anything* is capable of lowering premiums, it is forcing those 20-million+ now uninsured – which includes many who could pay but go without by choice, secure in the knowledge hospitals won't leave them lying in the streets – into the "pool". But there's no reason whatsoever to believe government running the money pool and doing the buying and dispensing will lower anyone's costs or improve care; the government is legendary for paying more for everything from toilet seats to automobiles to you-name-its than private parties do, and getting less for the more they spend. Government is even famous for permanently "misplacing" billions of dollars – as they've done with money sent over to Iraq, money sent to New Orleans.

**At its worst and most socialist, a Hillary/Obama-esque plan will create a whole host of unintended consequences.** Most insurance companies will exit the health

care business altogether, and market only life, auto, property insurances and other financial products. They will likely, summarily cancel existent policies en-masse or go bankrupt altogether should the government's new health care bureaucracy attempt forcing them to stay in the business. These companies will also be downsizing, thus eliminating hundreds of thousands of jobs. Pharmaceutical companies confronted with new, onerous price and profit margin controls will shut down research and development of any drugs other than those with the widest possible consumer use. As the private sector participants in the different aspects of health care flee or collapse, the government will find itself forced to assume a plethora of new responsibilities for which it is ill-equipped: taking over shuttered hospitals in small markets, providing doctors to rural areas where all have left, funding drug research, perhaps even somehow forcing people to go to medical schools and work for x-number of years as doctors essentially drafted into a domestic health services army. Consumption of health care services will skyrocket once it is organized and presented as free to all. So, having taken on a new financial burden of monstrous, ever expanding size and deficit, the new "health care agency" will quickly be forced to impose draconian cost control measures: eliminating coverage for chiropractic, dental, many surgical procedures and other life extending care for elderly patients.

**Contrary to the promise that government-run, socialized medicine will take medical decision-making away from insurers and put it back into the hands of doctors and patients, it must do exactly the opposite;** put all such decisions into the control of government-employed cost control bureaucrats charged with minimizing, delaying or denying expensive care at every opportunity. As there is in other countries with socialist health care, there will be long waiting times and long waiting lists. Already, one U.S. state drowning in a sea of red ink in its state-level program has begun sending letters to elderly patients seeking certain surgeries and transplants that they are ineligible – but that the plan will pay for their assisted suicide. This is where we will inevitably wind up; so-called "managed care" means "tightly managed costs" and "managed DEATH." (It may be significant that the chief proponents of socialist medicine are also pro-abortion.)

**Finally, burdened with all the costs of peoples' ill health, government will be emboldened and justified in greater and greater invasion into private lives and interference with private business** – the elimination of trans fats in restaurant foods and smoking in public places will seem trivial compared to the much wider interference, new laws, new law enforcement, and new unfunded mandates on state and local governments and private companies brought on by the desperate need of government to reduce health care costs. Employers required to provide gyms, on-site healthy meals, prohibition of all manner of unhealthy behavior. Vending machines selling foods and drinks judged unhealthy will be banned from workplaces; fast food restaurants forced to locate x-number of miles away from workplaces, schools and neighborhoods (like strip clubs must be x-miles away from churches and schools). This is NOT distant or unimaginable; the Los Angeles city council HAS voted UNANIMOUSLY to ban opening of fast food restaurants in certain poor neighborhoods on grounds they are worsening residents' obesity. Internet commerce selling unhealthy items will be regulated. Sales tax surcharges applied arbitrarily to everything judged as contributing to poor public health.

**People invested in the stock market – which, thanks to 401K’s and other retirement plans as well as the preceding 12 years of uninterrupted prosperity – risk losing most or all of their wealth and security.** Should it seem that a socialist health care system might actually become reality, the stock values of pharmaceutical companies, hospital chains, medical equipment manufacturers and insurance and financial service companies will plummet. They will drag down the spiderweb of other companies intimately connected to them, such as banks. Take a look at the effect the meltdown in one segment of the mortgage industry is having, upstream to banks and other financial institutions, and emanating throughout the economy – then visualize something ten times worse. Further, stock in companies engaged in sale of unhealthy products likely to face sales tax surcharges, corporate tax surcharges and heightened regulatory interference will also lose value....like Coca-Cola, McDonalds, every food manufacturer, every beverage manufacturer. The Dow might easily lose 30% to 50% of its value in a 1929-type crash precipitated just by the apparent possibility of Hillary/Obama-advocated health care system plans coming to fruition. To think otherwise, naïve. Investors will take the losses they know now rather than leave their money in these businesses entirely at risk, with eminent, total loss staring them in the face. Mountains of money will flee the market.

CEO’s, executives and entrepreneurs at the helm of countless companies threatened directly or indirectly by these ramifications have already begun exiting and will exit en masse; cashing out to avoid loss of their stocks’ value, diminishing earned income to bypass onerous taxes, and avoid potential civil and even criminal liabilities for involvement in businesses judged harmful to public health or the public good. An exodus of leadership as foretold by Ayn Rand is a logical expectation.

Hillary knows and understands *some* of this. But she is a congenital and unabashed liar quite willing to ignore the dark realities of her Santa Claus propositions. At the very same time that everybody – Hillary included – is freely admitting the Social Security System was a con game and unsustainable Ponzi scheme from its start and is now functionally bankrupt, she is blithely advocating an identically unsustainable scheme, Health Security. She is also likely ignorant of some of this, having zero practical experience in running businesses or in real world economics. Obama, incidentally, is even more ignorant, although his plan is slightly less radical and destructive, but also less practical. If either of them were to get their way, the result will be a substantial new tax on your gross earnings, with substantial punishment for your success. More likely, that plus a fairly rapid implosion of the entire American economy, leading to a Depression worse than 1929, and a longer, more arduous recovery.

Maybe worst of all, worse even than the financial ruin any version of these socialized medicine schemes would certainly cause to our economy, is the simple fact that they don’t work.

When I was in London, England in June, I read articles in their newspapers describing the mutiny of doctors and the public against their rapidly failing socialist health care system. A government-commissioned study of the system was released while

I was there, reported on as follows: **“FAILING HOSPITALS should be closed and REPLACED BY PRIVATELY RUN CLINICS** in a radical National Health Services shake-up....the report calls for badly run government health services to be shut down and replaced, to improve standards of patient care. ....**failure in the NHS – clinical and financial – is not new**.....at the moment you are stuck with your provider based on your postal code. By bringing in private companies, patients could *choose* their GP (general practitioner) or hospital...” Gee, imagine that: being forced to go to the one doctor and one hospital assigned to you by the government servicing your zip code and having no other choices. Imagine that leading to poor quality of care! – no competition, no quality, end of story.

We don't need to run this experiment ourselves. Its failure is well established in England, Canada and elsewhere. Yet advocates of socialist health care for the U.S. hold up these other countries' systems as shining examples, knowing they're lying, but secure in the knowledge that the overwhelming majority of voters never travel abroad, read foreign newspapers, or even read in-depth and objective news coverage in serious media here.