

## Healthcare or welfare

Contributed by Ken Reid  
Thursday, 06 August 2009  
Last Updated Saturday, 05 September 2009

This is the clearest analysis of Obama's proposed healthcare reform that I have read.

### Dems' Plan Will Eliminate Health Insurance

By Robert Tracinski

The goal of the Democrats' plan for health-care reform is coming more and more out into the open: they want to eliminate health insurance.

This has turned out to be the most passionate source of public opposition to the Obama health-care bill. People are terrified that they will be deprived of any choice or any control over their own health care if their only option is to depend on the government to pay their medical bills.

Astoundingly, the Democrats' answer to this has not been to reassure people that they will be allowed to keep their existing coverage—since this lie has proven too transparent to maintain—but instead to vilify the health-insurance companies. This is the line of attack the Democrats have chosen as they go into the August recess: private health-insurance companies are evil, and big government is here to save us from them.

According to the New York Times, President Obama is planning an "August offensive against the insurance industry." It is "a campaign of increasingly harsh rhetoric against the insurance industry" that is "intended to drive home the message that revamping the health care system will protect consumers by ending unpopular insurance industry practices, like refusing patients with pre-existing conditions."

That part about pre-existing conditions gives the game away. Health insurance companies refuse to cover pre-existing conditions for the same reason that you can't insure your automobile after you crash it. Insurance is a form of financing for the unexpected and unpredictable. It is not a mechanism to force somebody else to pick up the tab for expenses you have already incurred.

Do the Democrats even understand what insurance is? Over at Mother Jones, Kevin Drum muses that "Health insurance is a weird industry&hellip;. They don't do research, they don't perform surgeries, they don't change bedpans, and they don't make diagnoses. They're just middlemen. All they do is pay the bills&hellip;. But for some reason we're supposed to care about whether they continue to exist or not."

Get that? "All they do is pay the bills." Taking for granted the fact that someone else is going to somehow produce wealth and pay the bills, while you sit back and make petulant demands about how you want it to be done better and with fewer hassles&mdash;isn't that the whole leftist mentality in a nutshell?

Insurance is a form of financing. It is a contract under which a health-insurance company agrees to pay for medical bills that could run into the tens of thousands of dollars, if you are hit by a bus or are diagnosed with cancer, so that you don't

have to pay for those bills out of your savings. For younger people, this means being able to pay for catastrophic care even if you haven't had time to build up tens of thousands of dollars in savings. For older people, this means not having your retirement savings or the equity in your home get wiped out by an unexpected illness.

So let's ask the question the left never asks: how is it possible for an insurance company to pay for these giant medical bills? What makes it possible is a whole set of statistical calculations. For every person who needs open-heart surgery or chemotherapy, there have to be a certain number of other people who are paying their premiums but haven't gotten seriously ill. If the insurance company has gotten its calculations right, the expenses for any one person's catastrophic care are balanced out by the premiums other people pay "just in case."

You can see how Obama's demands undermine this whole system. To ask insurance companies to cover a patient after the tumor is diagnosed is to ask them to take on a known expense. Combine that with another Obama demand: that insurance companies can't charge higher rates for those who are at higher risk of getting sick. So if insurance companies have to take on a known expense and can't charge a higher rate for it, how are they going to pay for it? By raising everyone else's rates, redistributing their wealth to the new freeloaders.

This isn't insurance, it's welfare. And that's the whole point.

The Democrats oppose health insurance because it based on the idea that people are independent individuals who should be expected—and have the right—to pay their own way. It is a system in which people decide what level of coverage they want and how much they are willing to pay for it, and insurance companies balance an individual's premiums against his health risks.

Paying your own way is a responsibility, often a very demanding one. But it is also a precious right that few people want to give up. He who pays the piper calls the tune, and when it comes to health care, our lives depend on being able to call the tune.

The left's preferred model, by contrast, is welfare. Don't be fooled by labels. The "public option" is not a form of insurance, because it is deliberately designed not to balance premiums against risk. Instead of choosing how much coverage you are willing to pay for, everyone is forced into a plan designed by an Orwellian "Health Choices Commissioner." And when you get sick, you don't have a contract with a private company that you can enforce. You are dependent on benefits that are doled out uniformly to everyone by the government—no matter what your personal judgment about your health-care needs, and no matter how much you have paid into the system.

There are no independent individuals in this system. Instead, it is designed to make everyone dependent on the collective will of the government—which can decide to reduce your care when costs spiral and the Health Choices Commissioner decides that the treatment your doctor recommends is not really "cost-effective."

The current legislation is a big step in that direction. Government regulations and enormous government spending have already distorted the health-care market for decades, but this legislation is the coup de grace. Its whole point—even in the watered-down form favored by the "Blue Dog" Democrats—is to force insurance companies to act as if they are government welfare agencies. And when the insurance companies collapse under that artificial burden, the government will drop the pretense and have the welfare agencies, under the banner of the "public option," take over.

This is a war on health insurance. But it is more than that. The deeper issue is individualism versus collectivism. Will we be independent individuals with some control over our own fate—or will we be cogs in the collective, forced to be dependent on government for the most important needs of our lives?

checkTextResizerCookie('article\_body');

Robert Tracinski writes daily commentary at TIADaily.com. He is the editor of The Intellectual Activist and TIADaily.com.