

GOVERNMENT-RUN HEALTH CARE PLAN WOULD ONLY ADD TO ALL OF OUR WORRIES

By U.S. Senator Charles Grassley

Health care spending in America is increasing at an unsustainable rate, and even with more than 17 percent of the economy directed to health care, we still have 47 million people without insurance, and millions more who are under-insured or fear losing the coverage they have.

As a doctor reading this, you're likely fed up with inadequate Medicare and Medicaid payments and unpredictable payment levels from year to year. That's especially true in Iowa, where quality is high and government rates are low, compared with many other states.

Unfortunately, a government-run health care plan would only add to all of our worries.

The government promised to pay "fair and reasonable" rates when Medicare was created in 1965. Today the government pays between 60 percent and 70 percent of what private insurers pay. With payment rates well below costs, doctors are more and more likely to stop seeing Medicare enrollees. Access in Medicaid is even worse.

Some say that we can avoid these problems by putting the government-run plan on a level playing field with private insurers. They say Congress could set up a system so that the government-run health insurance plan has to follow the same rules as private insurers. They say it would have to pay the same rates, form networks and be independently solvent.

But the unanswered question is the most important one: When this new government-

run health insurance plan starts to cost too much, is Congress going to start breaking its promises? Will it change the rules? Maybe at first Congress would repeal the requirement that the government-run plan has to form a network. Next, Congress might allow the government plan to start paying lower rates than private insurers – just as Congress did with Medicare and Medicaid. At that point, Congress might let the government-run plan dip into the Treasury from time to time to keep the government plan solvent. As the government takes more and more control over the plan, providers would get paid less and taxpayers would end up paying more. Rates for the government-run health insurance plan would be lower than private insurers' because the government could impose lower rates by law, also known as price fixing.

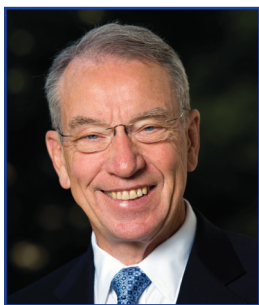
Supporters of a government-run plan say the government could use its influence to lower

costs. But that is exactly the problem. As the government cuts payments to providers, costs would go up for everyone in the private market. Slowly but surely the government plan would take over the market. Eventually, all the promises about creating a level playing field would be broken,

and we'd be left with a single-payer, government-run health insurance program.

Independent analysis by the consulting firm the Lewin Group agrees. According to Lewin's work, 119 million people would lose their private insurance and end up in the government plan.

Instead of introducing a government-run plan that would cost too much, limit choices and reduce quality, Congress should clean up the private market, where greater efficiencies and cost savings are possible.



U.S. Senator Charles Grassley is the senior senator from Iowa and a member of the Republican party. He has served in the Senate since 1981.

That would be a big shift; 170 million now have private health insurance. Employers would shift employees to the government plan rather than continue to pay for private insurance.

The Lewin Group's analysis also spells out dramatic cuts to providers under a government plan. Providers are quick to acknowledge waste in the existing system, such as duplicative medical tests brought on by poor coordination among a patient's doctors. There are ways to save money. But if physician and hospital payments are reduced across the board under a new government plan payment regime, it raises serious questions about how many doctors and hospitals will continue to operate. We've predicated our health system on a private sector foundation, and undermining it will have a seismic effect on every doctor, hospital, and patient.

A shift to a government-run plan would also break one of the most important promises President Obama made during the campaign, and as President – if you like what you have, you can keep it.

Independent analysis also has shown that a government-run plan would drive up prices in the private market and force employers to drop coverage. It eventually would limit people's choice of health insurance plans and force them into a Canadian-style single payer system. This would make our emergency rooms more crowded than they are today. It would limit access to high-quality care through rationing and price-fixing. It would increase waiting times for lab results and life-saving and life-enhancing procedures. It would add hundreds of billions in new government spending.

Instead of creating a government-run plan and making promises the government can't keep, Congress should create stronger rules and regulations for the private insurance market. Congress should prohibit health plans from denying coverage to people with pre-existing conditions, and provide tax credits to help people buy coverage.

Instead of introducing a government-run plan that would cost too much, limit choices and reduce quality, Congress should clean up the private market, where greater efficiencies and cost savings are possible. Instead of introducing a government plan, Congress should help President Obama keep his promise that if you like what you have, you can keep it.

Studies show that a majority of Americans who have insurance are happy with the quality of care they receive. The ability to call a doctor you've chosen and schedule an appointment within a week or two is something the private sector has enabled.

The private insurance system competes hard for business. Private sector involvement with Medicare – through the Medicare Advantage and prescription drug programs – has added choice and medical value to beneficiaries' coverage. If the government undermines private companies in an attempt to insure the uninsured, it risks dismantling the coverage that many people enjoy. It makes much more sense to leave the private insurance system in place and fix what doesn't work about it.

I welcome your views as the health care reform debate continues in Washington. Representative government is a two-way street. The more dialogue between citizens and their elected representatives, the better the legislative product will be.

What do you think about a public health plan? Share your thoughts with us by visiting our Web site at www.iowamedical.org!