



The Free Enterprise Nation

Pending Health Care “Reform” Legislation

POSITION PAPER

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SUMMARY

The Free Enterprise Nation is opposed to the Health Care Reform legislation currently being railroaded through Congress. It is being legislated without the participation of the very people it is intended to benefit: small businesses and the individual citizen. Numerous polls have shown that the majority of Americans oppose the current legislation. Yet Congress insists that it must pass such legislation “for the good of the people.”

Serious questions abound concerning the Constitutional right of Congress to dictate what and how much insurance Americans must buy and to fine them if they fail to comply. The proposed legislation seriously abridges the right of individual free choice of physicians, treatment modality and the scope of treatment that the individual may seek. It would eliminate the fundamental rights of liberty, free choice and self-determination. It would fine employers for failing to pay for health insurance in addition to the compensation they provide to employees, thus limiting the creation of jobs, limiting resources available for the compensation of employees, and limiting employees’ right to use compensation as they feel is in their best personal interest or the interests of their own family members.

For the past several months, Congress has spent most of its time proposing various health care and health insurance solutions to a problem that it has not adequately defined. Is the problem health care? Or is the problem health insurance?

The proposed 2,000+-page legislation purports to “solve America’s health care problems” at a cost of nearly \$1 trillion over the next decade. Congress has recently completed a fiscal year in which it incurred a \$1.4 trillion deficit. What’s more, Congress forecasts an increase in the deficit of another \$7 trillion to \$8 trillion over the next decade.

Current financial problems in the United States are staggering. Moody’s bond rating service has a “negative outlook” on every municipality in the nation. The federal debt now approaches our Gross Domestic Product, and it is projected to increase for the next decade. Because of federal bookkeeping madness, the unfunded liability of entitlement programs is not included as debt. This liability is estimated to exceed \$100 trillion! We are at war in two faraway countries, and our armed forces are stretched to the breaking point. Unemployment is at historic levels, and is predicted to remain high for years to come. Medicare and Medicaid are financially unsustainable. Social Security is financially unsustainable. The Postal Service is financially unsustainable. Fannie Mae and Freddie Mac have been taken over by the government and are incurring enormous losses and accruing staggering new and irresponsible levels of debt. During the 10 months that the current Congress has been in session, it has paid scant attention to these staggering problems. Instead, Congress has concentrated on health care reform, including scandalous deal making with every major special-interest group imaginable and with

some very special appropriations given to recalcitrant politicians, for whose votes the taxpayer will pay dearly for decades to come.

If there ever was a time NOT to increase government intervention into our free enterprise economy, this is it. The Free Enterprise Nation has identified Pending Health Care “Reform” Legislation as one of the top five economic threats to America in 2010.

CONGRESS LACKS THE CONSTITUTIONAL AUTHORITY TO DICTATE HEALTH INSURANCE PURCHASES OR HEALTH CARE COVERAGES AND TREATMENT MODALITIES

The Free Enterprise Nation does not believe that the United States Congress has the Constitutional authority to require any American to buy insurance. The proposed legislation represents one of the most serious abridgments of human rights that the U.S. government has ever attempted. If the American voter allows Congress to dictate that insurance must be purchased and the coverage that must be provided, one of the most fundamental of all American rights will be taken away: personal freedom.

REFORM PROPOSALS ARE LIMITED TO INPUT AND INFLUENCE FROM LARGE SPECIAL-INTEREST GROUPS

Congress has developed its health care reform package without input from the American people. It has met with representatives of various special-interest groups, including the pharmaceutical industry, the insurance industry, the American Medical Association, unions, the AARP, and various other special-interest players. Each of these special interests has been more concerned with their own survival and prosperity in the event of a federal government takeover of our health care system than it is with the plight of the vast majority of the businesses and employees who work and live in the private sector and who would bear the brunt of the costs of this government intrusion.

GOVERNMENT CREATED MOST OF THE CURRENT PROBLEMS

Many of the problems currently existing in the health care and health insurance environment were created by government. A primary example includes the authorization of pricing arrangements between some insurers and doctors/hospitals that allow these large insurers to pay far less than billed charges.

The government has commanded that the medical establishment must accept extraordinarily low payments for hospital and physician services from Medicaid and Medicare, and has allowed some large insurers to extract similar payment arrangements, resulting in cost shifting to those who are not with a government plan or a major insurer.

This has produced a total distortion of health care costs because hospital and medical service charges do not reflect the true amount that various providers, including

Medicare, Medicaid, and selected insurance carriers, are actually required to pay. Additionally, some insurers have become virtual monopolies in many areas, since individual payers and small insurers lack the ability to extract significant discounts off of billed charges.

In essence, hospital and physician bills are complete fiction and do not represent what the real charges are. In other industries these practices would be considered fraudulent or in restraint of trade. It is impossible to tackle the subject of health care costs without knowing what these costs actually are, but Congress has not attempted to determine these true costs.

CONGRESS HAS NOT PROPERLY DEFINED THE PROBLEMS THAT IT INTENDS TO SOLVE

The government has used, interchangeably, the terms "health care" and "health insurance." The two are very different. Until and unless the U.S. Congress can precisely define the problem it is trying to solve, it is inappropriate to attempt to solve the problem with a generic "one-size-fits-all" solution.

HEALTH CARE REFORM COULD BE THE HARBINGER OF FURTHER INTRUSIONS INTO CIVIL LIBERTIES IN THE UNITED STATES

The health care reform proposals in Congress could be the harbinger of many more intrusions into the life of the average American citizen than the U.S. Constitution ever intended. Should our government be determining exactly what level of health care benefits will be provided to those who cannot or will not pay or the appropriate levels of the rationing of medical treatment? What additional steps will Congress deem necessary to keep health care costs under control? What other individual rights will be abridged by Congress in the name of "serving the people"?

CONTROLLING COSTS BY UNDERPAYING WILL RESULT IN A SEVERE SHORTAGE OF PHYSICIANS AND DENY COVERAGE TO THE AGED

Virtually all of the proposals under consideration in both houses of Congress assume that the government will dictate what medical treatments will be provided and what the appropriate payment level is. Most experts agree that this will result in a severe shortage of physicians who are willing to treat elderly patients.

Currently, those over the age of 50 represent nearly one-third of the United States population. As this segment of the population ages, the government will be faced with a vastly increased number of Americans insured under Medicare, while facing enormous self-inflicted debt and deficits in other areas. It is likely that government will say it has no choice but to further curtail payment levels and treatment modalities in order to afford treatment for this segment of the population.

The combination of fewer physicians, more patients, lower payments, and rationing of health care treatment could have a devastating impact on American senior citizens.

DEFINITIONS BY CONGRESS OF “UNINSURED” POPULATION IS DISINGENUOUS

Congress’s definition of “uninsured” includes 16 million Americans who earn \$75,000 or more per year, but have no health insurance. It also defines the indigent (many of whom are covered by Medicaid) as “uninsured.” This disingenuous approach is clearly intended to dramatize and justify an “emergency” approach to pass legislation without fully exploring all of the specific problem areas and seeking solutions on a selective basis.

THE FEDERAL GOVERNMENT HAS NOT TAKEN APPROPRIATE STEPS TO ENABLE A FREE MARKET IN HEALTH INSURANCE

In 1973, Congress passed the Employee Retirement Income Security Act (ERISA). It contains language to the effect that “No State may regulate any employee benefits plan.” But since 1973, states have bypassed this federal requirement by dictating what the insurers licensed in their state may or may not sell and by requiring specific benefits and benefit levels, including chiropractic care, well-baby care, routine physicals, etc.

Congress has never said, “ERISA means what it says. By regulating specific coverage, the States ARE regulating benefits plans, and they must cease and desist from this practice.” The result is that 50 states have 50 different sets of requirements, hugely increasing costs to the insurance carriers and to the employers who purchase these plans.

It would be a virtual “stroke of the pen” to open up the entire United States on a consistent and uniform basis, if carriers were able to meet a certain minimum standard in all states – one that could not be tampered with by state legislatures.

HEALTH CARE AND HEALTH INSURANCE PROBLEMS ARE RECOGNIZED BY THE FREE ENTERPRISE NATION

The Free Enterprise Nation fully recognizes that there are problems in the health care and insurance arenas. And it recognizes that many Americans choose not to acquire health insurance, often because they cannot afford to do so. But the question of what Americans can and cannot afford has not been fully explored. Should one American who earns \$75,000 a year and purchases health insurance be required to subsidize another American who has chosen not to do so?

It is not constitutional or appropriate to require small businesses (or any business) to GIVE health insurance to employees or face a fine. It is not appropriate to dictate what percentage of the premium an employer must pay for an employee benefit, or to require that the benefit be provided in the first place. Employee benefits are and have

been used by employers to attract and retain employees and to reward their productive efforts. They are not an absolute entitlement, to be enforced by the government.

What right does the government have to tell ANY employer what benefits must be provided? Employees in free enterprise are free to work at the employer of their choosing, and they are free to leave if they choose to do so. It is not in the best interests of free enterprise to create circumstances that will require employers to reduce their number of employees in order to give fewer more. It is not in the best interests of the nation for government to create financial barriers so high that entrepreneurship and small business startups will be eliminated.

THERE WILL COME A TIME...

The Free Enterprise Nation believes that there will come a time for Congress to consider how government has helped or hindered the health care access and delivery process. When it has worked to solve the current massive problems facing our economy and has worked to reduce the cost of our own government, it will be appropriate for Congress to examine each and every aspect of health care and health insurance and to determine whether more or less government regulation might be required.

When that time comes, The Free Enterprise Nation will call for a vigorous and OPEN debate, a disclosure of all of the facts, and the consideration that, whatever path is contemplated, the right of free enterprise and of individual liberty and self-determination must be the cornerstone.



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