

## Entitlement Reform: What Next?

By: John C Goodman  
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The Republicans have no plan to insure the uninsured. How do I know that? A *New York Times* editorial told me. So did Ezra Klein, writing in the *Washington Post*.

But wait. Didn't John McCain have such a plan during the last presidential election?

McCain proposed replacing all existing health-care tax and spending subsidies with a universal health grant, structured like a refundable tax credit. A version of the idea has been sponsored by Sen. Tom Coburn (R., Okla.) and Rep. Paul Ryan (R., Wis.). Under their plan, the first \$5,700 a family spends on health insurance is courtesy of Uncle Sam, giving everyone protection against large medical bills

Contrast that with what happens under the health-care-reform legislation passed by the Democrats one year ago. Recently, 30,000 McDonald's workers were granted a temporary waiver so they can keep their limited-benefit "mini-med" plans — which would otherwise be wiped out by regulations imposed by the Democrats' legislation.

If McDonald's were to lower these employees' wages by \$5,700 and buy them \$5,700 worth of health insurance, the only subsidy available today would be the one embedded in the tax law — the ability to pay premiums with dollars that escape the payroll tax. That's worth about \$872.

In addition, because as of 2014 mini-med plans won't be compliant with Obamacare's mandated benefit package, McDonald's will have to pay a \$2,000 fine for each employee. In short, to get the kind of insurance the McCain/Coburn/Ryan plan would give them for free, McDonald's workers would have to pay almost all of the cost out of their own pockets and pay the government a fine to boot!

The health-care-reform law enacted last year offers no practical way to insure millions of uninsured and underinsured families. The Republican plan does.

— *John C. Goodman is president, CEO, and Kellye Wright fellow at the National Center for Policy Analysis.*