



Presenting Alternatives to ObamaCare

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July 10, 2012

On Wednesday the House of Representatives will vote to repeal the Patient Protection and Affordable Care Act.

Let's hope that the congressmen will also present an alternative. For inspiration, backed up with data, they should read "Priceless: Curing the Healthcare Crisis," a new book by **John Goodman**, president of the Dallas-based **National Center for Policy Analysis**.

Not only is good health priceless, but one characteristic of American health care is that people who consume it don't see prices, and they don't know how much the service costs.

Goodman's solution is built around tax-deductible health savings accounts, where people can save for routine health expenditures. Combined with high-deductible insurance for unpredictable major expenses, such as heart attacks and bike accidents, this offers coverage more like auto or home insurance, with lower premiums.

Low-income Americans would receive vouchers to set up savings accounts and buy such insurance.

This would lower health care costs, because when people are aware of prices, they spend less. To offer an example, this is why prices for cosmetic surgery, which is not usually covered by insurance, have steadily declined.

In today's health care market, third-party payers are the ones who see the prices -- that is, insurance companies and the government. They have put themselves in the position of telling people what care they should have. But, as Goodman shows, the incentives of patients and third-party payers are very different.

A test for cervical cancer might cost \$12,000 per life saved if women received the test every four years, and \$1.5 million per life saved if women were tested annually. So, from society's perspective, testing women every four years is a more cost-efficient outcome, even though many more women might die.

What makes the most sense is for women to manage their own routine health care dollars out of health savings accounts, so they can decide if they want to spend \$100 on the test every year, every two years or every four years.

The PPACA would take America in the opposite direction. There would be more government regulations and institutions deciding what treatments people should have.

The PPACA's Independent Payment Advisory Board would decide what treatments are cost-effective. It would take away the freedom of doctors and patients to decide for themselves on courses of treatment by forbidding certain drugs, devices and procedures from reaching the market.

This type of health care rationing is a feature of other countries. But the U.S. system, with its high use of Magnetic Resonance Imaging units and exams, achieves the highest five-year cancer survival rates in a group of 18 industrialized countries in a Lancet study by Dr. Michel P. Coleman.

In the United States, 84 percent of women diagnosed with breast cancer live for five years, compared with 70 percent in the United Kingdom. For other cancers, the data are similar -- 59 percent of Americans survive colorectal cancer, compared with 42 percent in the U.K.; and 92 percent of Americans survive prostate cancer, compared with 51 percent of U.K. men.

American health care works in other ways, too, Goodman shows. It's often stated that Americans' average life expectancy is 19th among countries in the Organisation for Economic Co-operation and Development. But this is not because of sickness, but because of a higher rate of fatal injuries from violence and car accidents. Without fatal injuries, Americans have the highest average life expectancy in the OECD.

Goodman shows that Congress should look to consumer-driven care as an alternative to the PPACA, just as purchases of other insurance products, ranging from life insurance to renters' insurance, are consumer-driven.

As America looks to replace the PPACA, Goodman's book is worth a careful read. Call it priceless.

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