



Will be published July 1, 2009

## Health Policy Consensus Group Puts Obama, Congress on Notice

Written by Sarah McIntosh

While the debate over how to address health care costs continues across the nation, a coalition of experts from pro-market think tanks released a statement identifying six policy deal-killers for national health reform.

The Health Policy Consensus Group has identified policies which, if included in legislation, would necessitate opposition by free-market organizations.

According to Grace-Marie Turner, president of the Galen Institute, “The Health Policy Consensus Group was formed in 1993 to analyze the Clinton health reform initiative. Our group’s work opened the policy debate to new ideas that would give patients more options and more control over decisions about their health care and health coverage.”

The Consensus Group includes experts from the American Enterprise Institute, Galen Institute, National Center for Policy Analysis, Institute for Research on the

Economics of Taxation, Heritage Foundation, Center for Medicine in the Public Interest, Ethics and Public Policy Center, Independence Institute, Institute for Policy Innovation, The Heartland Institute, and Pacific Research Institute, among other organizations.

### Government Mandates Discouraged

The group’s “six policies to avoid” are:

1. A new government-sponsored health insurance plan, because the government would use its “regulatory, pricing, and taxing authority to favor its plan.” Additionally, a government plan could “artificially under-price private plans, driving them out of this one-sized ‘marketplace’ and leaving consumers with no coverage alternatives.”
2. A move to force employers to provide health insurance, because “any new health insurance tax will be set lower than the

current levels at which employers now fund coverage,” thus reducing people’s coverage.

3. A uniform, government-defined package of benefits, because benefit decisions made politically rather than by individuals in the market drive costs up and expand benefit packages.

4. A mandate that individuals must purchase insurance, since “mandates create a conflict between escalating costs, limited resources and the false guarantee of rich coverage, often triggering price and supply controls.”

5. A National Health Insurance Exchange that extends federal regulatory powers over private insurance, because this would take away private choice and patient preferences while discouraging innovation and flexibility in health insurance.

6. Federal interference in the practice of medicine thorough a federal health board, comparative effectiveness review, or other government intrusions into medical decision-making, since a centralized health board will sacrifice patient needs and personal preferences in order to meet budgetary bottom lines.

## **Fighting Off Bureaucracy**

Turner said the group settled on these six policies because, “The Consensus Group discussed the key components of the policy proposals that President Obama and congressional leaders are considering, and we felt it was important to highlight those that we felt presented the greatest dangers to patient freedom, innovation, and quality health care.”

John C. Goodman, president of the National Center for Policy Analysis, says the nation’s current health care problems are the result of “a regulated, institutionalized, and bureaucratic system.”

Turner agreed. “Members of the Consensus Group believe that tax policy as it pertains to health insurance distorts the market in a number of ways, including hiding the full cost of health insurance from workers and artificially supporting increased demand for more costly coverage. It also discriminates against those who do not get or cannot afford health insurance at work. This subsidy is worth at least \$250 billion a year to those with job-related insurance, and nothing to those without it.”

“The federal government has already demonstrated its incompetence at regulating private health insurance through the

interventions it has already made,” said John R. Graham, director of health care studies at the Pacific Research Institute.

### **Positive Proposals Offered**

Instead of just saying no to reform, the Consensus Group is making positive suggestions. Turner said, “Subsidies should be equally available to everyone, regardless of where they get their insurance. We believe that Congress should provide direct subsidies to individuals to purchase health coverage and that people should be given more options to obtain health insurance, with a stronger safety net for those with preexisting conditions.”

Graham suggested, “Instead of forcing us to buy health insurance through a government-run exchange, all the federal government needs to do is allow portability of health insurance across state lines when people move.”

Graham added, “If the federal government reformed the tax code so that American families got the same tax benefits that businesses do, states would not have to establish exchanges. The only reason for a state to do so today is to allow employers to make pretax contributions that employees can use to buy individual health insurance. On its own, however, this neither reduces costs nor improves access to care, as the Massachusetts experience demonstrates.”

“We need individual tax treatment for health insurance, experimentation in state health insurance market reform, and the creation of premium support for Medicaid and SCHIP, and eventually [for] Medicare,” said Bob Moffit, director of the Center for Health Policy Studies at The Heritage Foundation.

“In short, what we need is patient-centered, consumer-driven health care,” Moffit said.