

Health care plan socialist? So are Social Security, Medicare

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By Edwin D. Reilly Jr.

“There is no significant difference between having enough and having more than enough. But there is an enormous difference between having enough and having less than enough.”

— Nelson Rockefeller

I find this a remarkable thought from a man who clearly had more than enough and very likely had little direct contact with those who did not have enough. But my admiration for him grew enormously when he uttered it.

Certainly our former governor was an ardent capitalist. I infer that he had no objection when those who, by dint of hard work or inheriting a department store (Barry Goldwater’s recommendation), accumulated great wealth. He was no communist, and not even an avowed socialist, which is not the same thing at all. Such terms are being egregiously misused by the sign-waving fanatics who like to denigrate not only the president’s health care plan, but the president himself.

Countries use such terms to deceive. China, for example, claims to be communist. It is certainly totalitarian, but it is the most dynamically capitalist country in the world. Its income gap between rich and poor is much larger than that of the United States and growing rapidly. Without change to a more democratic government, it faces an inevitable (second) revolution.

Almost all countries, regardless of their political structure, have socialist programs designed to ameliorate the hardships of their poorest citizens, or citizens likely to have “less than enough” after they retire. Are any of the protesters I alluded to above recipients of Social Security? Please remind them that it is a socialist program.

Do any have Medicare insurance? Then they are participating in a socialist program. Medicare is a wonderful program — for those who have it (as I do). But, pure and simple, Medicare is age discrimination. One must be at least 65 in order to qualify; no one younger than that arbitrary age need apply.

20-point plan

Let’s see if we can work our way through what the president is trying to do, one step at a time. Despite the popularity of 10-point plans, the complexity of the situation requires 20. Bear with me.

1. The high cost of the current health care system is unsustainable. If we do nothing, long enough, the interest on our runaway national debt will bankrupt the country. And not too far from now.
2. Medicare is called a “single payer” system because reimbursement payments are made from the tax revenue of our national government.
3. Medicaid, for low-income persons, is a multiple-payer system, either double- or triple-payer. The federal government pays half of reimbursements, and most states pay the other half. But New York State pays only half of “their” half, passing on a quarter to our counties, an unfunded mandate that makes county taxes in our state 62 percent higher than the national average.
4. Medicare, like any public option would be, is not “free” to the recipient. Those who qualify pay a small premium added to their income tax bill or deducted from (partially taxable) Social Security income. And reimbursements, though generous, are only about 85 percent of costs, leaving some for a secondary carrier, for recipients who have one, or for themselves, and there is a very small co-pay.
5. By confining Medicare to those on the threshold of advanced age, most recipients will incur lifetime costs far in excess of their lifetime premiums. All it takes is a heart bypass, a hip replacement, or extensive and prolonged treatment for cancer.
6. Therefore, the risk pool for Medicare — or some public option that supplements or replaces it — must be leavened through the contributions of the young people who, even though they may live to old age, will, on actuarial average, pay cumulative premiums that are at least equal to their lifetime reimbursement costs.

7. Unfortunately, young people think they are invulnerable and are loath to voluntarily join any program that lowers their take-home pay. Some kind of compulsion will be necessary to force their enrollment or some incentive will be needed that will entice them to enroll.
8. Despite the street wisdom that government can never do anything as well as a private company, the administrative costs of the Medicare program are only 11 percent of its revenue as compared to 35 percent for private health carriers. This is not surprising; the private companies, good capitalists all, want to make a generous profit and pay their managers, on average, far more than the \$150,000 or so in salary that government managers are paid, with large bonuses in addition.
9. For this very reason, all but one Republican senator, the one who refuses to be Snowed, fears that a public option will put private companies out of business. It very well might.

Historical fluke

10. That businesses pay for health insurance for their employees is a historical fluke dating back to World War II. During the war, government wage (and price) controls forced businesses to find an alternative way to enhance the compensation of their employees. So they began to pay for health insurance, and the government aided and abetted the practice by making that benefit tax-free.
11. To compete during times of a labor pool diminished through 16 million men drafted into military service, governments began providing health insurance to their workers too.
12. The municipalities in counties all over the state have many employees whose salaries are \$25,000 or less but who are provided with family health insurance plans that cost \$14,000 per year.
13. The greatest single “tax cut” that businesses could conceivably realize, or that state and local governments could pass to their property owners, would be a single-payer system where the single payer is the U.S. government.
14. Doing this in one fell swoop (the only kind of swoops there are) would be enormously expensive.
15. Every senator thinks that he or she can devise a better health care plan than that of the president, or that of any committee of the Senate. (The same is true of columnists.)
16. The House is converging on a bill that is pretty close to what the president wants, and it might even contain a modest public option.
17. The Senate, except by extraordinary but not unprecedented action, needs 60 votes, not 51, to break a virtual filibuster, one that need only be declared and not require anyone to stand and read “War and Peace” and the complete works of Anthony Trollope into the public record.
18. The 60 votes needed to break the filibuster do not exist.
19. The Senate could, and should, declare need for a real filibuster, bring in the cots, let the Republicans shut down the government until the public outcry is loud enough, and then pass its health care bill with, if necessary, the votes of only 50 senators and Vice President Biden’s tiebreaker.
20. The other way to obviate intransigent opposition from those who would rather destroy the president than provide a path to health care insurance to another 30 million people is called “reconciliation.” This would take another whole column to explain, but I think, and in some sense hope, that this will happen.

The now infamous Joe Wilson notwithstanding, all versions of the health care bill under discussion in Congress prohibit granting health insurance to persons in this country illegally. When boorish Joe had his temper tantrum on national television, he likely had in mind that emergency rooms quickly attend to very sick or injured people without asking them to prove that they are here legally. If, later, it is discovered that they are not, government pays the hospital.

That is not a new proposal, it is existing law that will not be changed. There is only one criterion for granting emergency treatment, that the creature who needs it be human. Would you have it any other way?

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