



James Madison vs. Harry Reid

by Gary Wolfram (more by this author)

Posted 11/30/2009 ET

“It will be of little avail to the people that the laws be made by men of their own choice, if the laws be so voluminous that they cannot be read, or so incoherent that they cannot be understood.” So wrote James Madison in Federalist Paper No. 62.

Today the Senate has before it a bill exceeding 2000 pages in length that purports to reform health care in the United States. The bill, H.R. 3590, contains such phrases as: “An insurer or employment-based health plan shall be responsible for reimbursing the program under this section for the medical expenses incurred by the program for an individual, who based on criteria established by the Secretary, the Secretary finds was encouraged by the issuer to disenroll from health benefits prior to enrolling in coverage prior to the program.” And this is one of the most coherent sections of the bill. Can anyone doubt that we are well past the state that Madison warned us about?

It is not just our economy and health care system that is at stake, but our system of individual liberty and responsibility and limited government.

Any bill that contains 2,000 pages will create unintended consequences, much less a bill that will place the government even deeper into a health care system that makes up one-sixth of the nation’s economy. Any Senator who claims to have read the bill in its entirety and then claims to understand all the provisions of the bill needs to have his nose checked for length. For example, one should ask their Senator what the language providing for imprisonment for violation of Section 519 of the Employee Retirement Income Security Act of 1974, as found on page 1792 of the bill, means. It will be years before anyone full understands what the repercussions -- intended and not so -- of this massive piece of legislation are.

What we do know about the bill is that it makes worse all the things that have been driving up the costs of health care. We know that a primary cause of unrestrained increases in health care costs is that we rely heavily on a third party payment system.

My mother-in-law is currently in a nursing care facility that is charging \$663 per day. The only way that the facility can charge this outrageous amount for her care, which is primarily coming from aids making not much above minimum wage, is that Medicare is paying for it. If everyone had to pay for nursing home care out of pocket the prices would be substantially less. Yet the Senate and House bills would push millions more into a system where someone else, either the government or a health insurance company, will pay for the services.

A significant problem with our current system is that a person's health insurance is often employer-provided so if a person loses or changes jobs he or she will be in danger of losing coverage. The solution to this problem is to treat individually purchased health insurance on an equal footing with employer-based health insurance under the tax code. This would move people away from an employer-based system and towards a system that resembles true insurance, such as fire, theft, or auto insurance. Yet the Senate and House bills do just the opposite -- mandating that employers provide health care coverage.

Half of all health care spending today in the US is spent by the government, which is a major reason that costs have risen. Medicare, the current government insurance company for the elderly, cost nearly \$500 billion in fiscal year 2009. At its introduction, Medicare was projected to cost \$9 billion by 1990. The actual figure was \$110 billion. In 1987, Medicaid's Disproportionate Share Hospital payments were estimated to cost less than \$1 billion by 1992. The actual figure was \$17 billion. Estimates of Medicare fraud range as high as \$60 billion. Even the relatively simple task of providing swine flu vaccine was seriously underestimated by the government. Do we seriously think that expanding government's role will reduce costs and improve coverage?

It is imperative that we heed the warning of Madison and cast a dagger in the heart of the attempted completion of government's takeover of our nation's health care industry. Let us return to a market-based system of health care provision and restore

our belief in liberty and responsibility. It is a task to which we should, with a firm reliance on the protection of Divine Providence, mutually pledge to each other our lives, our fortunes, and our sacred honor.

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