



The axis of health-care evil

By Jim Waters

President Bush recently vetoed two bills that would have more than doubled funding for the State Children's Health Program. Good for him.

The federal government in 1997 created SCHIP, as it's known, to provide health insurance for children of low-income families. These households earn too much for Medicaid but not enough to afford medical insurance.

More than 6 million children participate in the \$5-billion-a-year program. Currently, eligibility is limited to those who earn 200 percent of the Federal Poverty Level.

But some of Washington's big-spending politicians, who never see a bureaucratic program they don't adore or a tax-hike that's too big, want a huge SCHIP expansion.

Some in this misguided lot propose increasing spending for the program to \$12 billion a year and allowing children from middle-income families – many of whom already are covered by private insurance – to come onto the public dole. This plan would expand SCHIP by an estimated 4 million recipients.

Typically, with the Bush vetoes came attempts to label him as the Grinch who stole health care from needy kids. But the president made the right decision.

Bush argued that expanding the program would hurt kids. It would “move children who already have private health insurance to government coverage,” he said.

Buckeye Institute researcher Marc Kilmer agrees: “Kids who would have had better private care will instead be using substandard government care.”

All of this sounds Grinch-like to those with an inclination to expand public programs rather than look for better solutions.

“Protect taxpayers? How Grinchy of you!” they say.

But hold on. It's not as if Bush is trying to compete with presidential candidate Ron Paul to cut spending. Bush proposed increasing SCHIP by \$5 billion during the next five years.

“Not enough,” say those with insatiable appetites for government spending.

Meanwhile, back in Kentucky, critics with the same mindset insist that throwing more money at our state's deepest black holes – education, transportation or health care – solves all problems.

Gov. Steve Beshear apparently favors expanding government spending to provide health insurance to Kentucky's 81,000 uninsured children. He also forecasts a tight budget. Beshear's plan to pull this monetary rabbit from a hat involves casinos magically appearing in your backyard and government's grimy hands making cash disappear from your wallet.

No one questions that skyrocketing health-insurance costs have created a dilemma too often ignored. Beshear says premiums have increased by 84 percent since 2000.

Kentucky's small businesses – the backbone of our economy – take the worst hit from such increases. The Agency for Healthcare Research and Quality reports that only about 45 percent of Kentucky businesses with fewer than 50 employees offer health insurance compared with 94 percent of firms with more than 50 workers.

But increased dependence on government – both in Washington and Frankfort – got us to this point in the first place. The secret to solving the health-care crisis lies not in increasing government spending, but in letting the marketplace lower prices as only it can.

Beshear's administration could do this by promoting policies that:

- Give working families tax relief to purchase private health-care coverage.

Individuals spend their hard-earned money much more carefully than government and would purchase a plan that fits them best. Isn't it better to let Kentucky's families decide which plan best fits their needs than a one-size-fits-all public system?

- Let Kentuckians purchase coverage from anywhere in the nation.

Why should government limit consumers to shopping only in Kentucky? When state government decided to heavily regulate health-insurance companies during the 1990s, it resulted in the nightmare known as Kentucky Kare, which created this axis of evil: Companies left. Competition dried up. Premiums shot up.

If Kentuckians could shop nationally for their coverage, market forces would prevail and that would create the axis of excellence: Prices would go down. Quality would go up. Service would improve. And the residents of a great commonwealth could escape being held hostage by Frankfort's political whims.

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