PERSONALLY SPEAKING

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REPLACING MONOLITHIC OBAMACARE WITH CHOICE AND FLEXIBILITY

Edward J. O'Boyle, Ph. D.
Mayo Research Institute

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If the Supreme Court rules that Obamacare is unconstitutional, Congress will have to decide whether to attempt another federal overall or put in place entirely different reform legislation. To replace a monolith like Obamacare, which brings down the whole house when it fails, Mayo Research Institute strongly recommends ten *bare* essentials of a more flexible and freedom-protecting reform that puts control of health care largely in the hands of the states.

Reform along these lines -- though clearly imperfect because health care is a uniquely personal, one-on-one practice subject at times to human error -- is better than a federal, universal-care system because if and when one state program collapses other state programs are not brought down. In addition, charging the states with the main responsibility for health care moves the system closer to those in need and thereby helps make the system more responsive to their needs.

● Based on the 10th amendment that reserves all un-enumerated powers in the Constitution to the states, each state is instructed to reconstruct its own health care system according to the specific health care needs, resources, values, and principles of its citizens.

● Guided by the principle of subsidiarity, the federal government would provide financial support for any state that is unable to meet the basic health care needs of its citizens with its own resources. To assure that any such state continues to function as the principal party in its health care system, federal assistance would contain no mandates and would be limited to no more than 49 percent of that state's public expenditures on basic health care services.

● Founded on the principle that health care is a universal human need, each state would decide the minimum health care it requires of insurance companies offering coverage to its citizens. The minimums would be recommended by an advisory group constituted of representatives from throughout the state's health care system. Whenever that advisory group reaches agreement its recommendations would be passed without revision by the legislature and signed into law by the governor. Whenever that advisory group is unable to reach agreement the legislature would define those minimums. The advisory group would revisit those minimums as circumstances change. .

● Based on the long-standing practice of private employers offering insurance coverage to their employees, employers would be encouraged but not required to offer health care coverage to their employees with the state reimbursing up to 50 percent of the cost of the state minimums. Substantial

co-payments would be a necessary part of any insurance policy in order to limit abuse. Any employer who wants to provide coverage beyond the minimum would have to pay in full the additional expense of providing that protection. An employer with such coverage thereby would be at a competitive advantage in attracting and retaining workers.

● Grounded on the principle that individuals have a fundamental responsibility to provide for their own needs as far as possible, any individual without employer-backed insurance would be encouraged but not required to purchase coverage with the state reimbursing up to 50 percent of the cost of the state minimum coverage. Co-pays would be a necessary part of any insurance policy. Anyone who wants coverage above the minimum would have to pay in full the additional cost for that protection.

● Taking account of the special health care needs of certain persons, catastrophic coverage policies would be required of any insurance company doing business in the state. Anyone electing that added protection but not able to afford it would get a state tax credit to cover up to 50 percent of the cost.

● Relying on the principle that no one of means has a right to impose the cost of their health care on others, anyone of means who decides not to have insurance coverage and subsequently requires health care services would be restricted to the minimum coverage as defined by the state. That person would be eligible for health care beyond the minimum only if he/she is willing to pay in full the additional expense of providing that care.

● Based on the fundamental dignity of all humankind, persons too poor to afford their own health care would have access to the minimum coverage as defined by the state at the state's expense. To help eliminate abuse, a nominal co-pay would be required of anyone in financial distress.

● Backed by the principle of the fundamental freedom of every individual as confirmed in the Declaration of Independence and the Constitution, citizens and employers unhappy with their state program are free to relocate to a different state with a program better aligned with their needs, resources, values, and principles.

● Guided by the principle that the federal government should do for the people only what the people, private organizations, and state governments are unable or unwilling to do for themselves, any state that does not want to reconstruct its own health care system must accept whatever reforms are developed in Washington.

In the mid 1930s, states were offered the option of designing and managing their own unemployment insurance programs or having one imposed by the federal government. Without exception every state opted for its own program.

Given the similarity between the need of unemployed and the need of the sick -- both needs are largely outside the control of the individual -- the states' nearly 80-year track record of providing for the need of their jobless workers encourages us to think that they are able to do as well for their citizens in need of health care, though it won't be easy.

In the end, reform that originates in each state, though less than perfect, provides the kind of choice and flexibility that monolithic federal reform does not and cannot.

Edward J. O'Boyle is Senior Research Associate with Mayo Research Institute
Offices in New Orleans, Lake Charles, and West Monroe
www.mayoresearch.org 318-381-4002 edoboyle@earthlink.net
