

# Health Care Reform

A Constitutional, Free Market,  
Sensible Approach

Presented To  
**U.S. Rep. Betsy Markey**  
by  
**The Loveland 912 Project**  
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## What is the Real Problem?

Everyone agrees that access to healthcare needs to be improved.

The disagreement is on what has restricted access and the debate has become circular because health insurance has become synonymous with healthcare.

1.1

## How did this all start?

- Prior to 1930 there was no health insurance - you simply went to the doctor and paid for the services
- Disability Insurance was common and paid benefits if you were sick or injured and could not work
- Increased regulations along with advances in medical treatment began to increase medical costs
- In 1929 Blue Cross formed as a non-profit to offer hospital insurance (catastrophic)
- The AMA endorsed Blue Cross to avoid nationalized healthcare being considered by Congress & to maintain the Free Market

1.2

## How did this all start Continued

- 1939 Doctors form Blue Shield to ensure hospitals did not try to compete with private practices
- The Blue Cross/Blue Shield companies were the beginning of **prepaid insurance**
- 1942 Stabilization Act which froze wages but permitted employer insurance plans as a fringe benefit
- 1949 NLBR ruled wages included pension and insurance benefits

While everyone at the time believed having health insurance as a benefit would increase access to medical care and keep it affordable, the exact opposite has happened.

1.3

## Impact of Insurance & Government on Healthcare

- Created a third party payer system
  - Employer & Insurance pay for medical care - not the patient/consumer
- Lack of portability
  - Insurance is tied to employment
- Government Mandates
  - Restricts Choice
  - Increase Insurance cost - require coverage not needed
- Overconsumption of medical goods and services
  - 3rd Party payer system - someone else pays
  - Defensive Medicine
- Increased Cost of Medical Treatment
  - Lack of Consumer pressure
    - 3rd Party Payer System
  - Reduced Rembursement rates for Medicare/Medicaid
  - Forced treatment of uninsured

1.4

History shows that since the 1900's the Federal Government has attempted to control the healthcare industry through regulation and taxes in an effort to provide services to all Americans. This effort has instead reduced access, and increased the power of Government which violates the Constitution and interferes with our Liberty and Freedom

1.5

## The Founding Fathers based the Constitution on 28 Principles of Liberty three of which explain why the Federal Government has no authority to draft Healthcare Legislation:

#7 The proper role of Government is to protect equal rights, not provide equal things

#15 The Highest level of prosperity occurs when there is a free market economy and a minimum of government regulations.

#27 The burden of debt is as destructive to freedom as subjugation by conquest

1.6

## A Federal Health Care Bill MUST:

- Adhere to constitutional constraints imposed on Congress by the US Constitution
  - enumerated powers in Article I, Section 8
  - promote the general Welfare as opposed to special interests, specific States or regions of States, or specific individuals or types of individuals or corporations
  - enhance free trade of health care goods/services amongst the several states and foreign nations (commerce clause)
- **THE priority of government and this bill must be to PROTECT individual liberty, freedom and private property rights, NOT to provide health care**

2.1

## A Federal Health Care Bill MUST: (Continued)

- **Be understood and defined in the context of the individual, the free market, and the States**
  - Congress does **NOT** need to intervene to "fix the problem"
  - government intervention to date has caused most of the problems
  - allow individuals and the States to solve their own problems
  - restore free trade/market of health care goods/services to drive down costs, increase quality/choice, and provide broader availability
- **NOT increase Federal deficits or taxes**

**How does HR3200 stack up against these principles?**

2.2

## Constitutional Restrictions on HR3200

- **Congress is restricted by the Constitution from providing/manipulating health care/insurance**
  - not an enumerated power of Article 1, Section 8
  - applies to nationalized health care, single payer, a government option, a co-op, otherwise (**including medicare/medicaid**)
  - constitutional amendment required (see Article 5 to proceed)
  - current power is reserved to the States or the People

**HR3200 is UNCONSTITUTIONAL**

2.3

## Constitutional Restrictions on HR3200 (cont)

- **HR3200 is complex, vague, and leaves much of the defining details in the hands of the executive branch**
  - unconstitutionally transfers power from Legislative to Executive branch (*Excessive Delegation*)
  - unelected, unaccountable bureaucrats will interpret and implement the vague law

**HR3200 is Open to Waste/Fraud/Abuse**

2.4

## Health Care is NOT a Right

- **Natural law states that people have unalienable rights to life, liberty and the pursuit of happiness.**
  - rights are not transferable from one person to another
  - **rights are protected** by government, **not provided**
  - It is impossible for government to provide health care to one individual without stealing from another to do so

**HR3200 will FURTHER confiscate liberties**

2.5

## Health Care IS a Good/Service

- **Health care must be considered a good/service to drive costs down and expand availability**
  - As with all goods, it is best provided through voluntary and mutually beneficial market exchanges
  - Individuals must be allowed freedom of choice to determine type and cost of health care they are willing to pay for
  - **Government mandates, restrictions, and regulations on any good/service drive UP the cost of the good/service**

**HR3200 will DRIVE UP the cost of health care**

2.6

## Price Transparency Drives Down Health Care Costs

- **Without price transparency and cost burden on the individual**
  - individual will demand as many procedures as he/she can get
  - no concern for how much it costs
  - drives costs up, increases scarcity
- **If the individual is provided price transparency:**
  - individual makes decisions best suited to meet their health care needs (*not a bureaucrat*)
  - individual will determine how much they want to pay for the benefit they receive
  - reduces costs and maximizes benefit/cost ratio

**HR3200 Does NOT Provide Price Transparency**

2.7

## Price Transparency Drives Down Health Care Costs

- **Need to change from pre-paid health care model to individually owned catastrophic health insurance model**
  - move health insurance purchase from employer to individual
  - individual pays out of pocket for most basic health care goods/services
  - *examples* : auto insurance, drug costs and procedures (under HSA plans), cosmetic surgery and lasik (not covered by insurance)

**HR3200 Does NOT Provide Individual Choice of Benefits**

2.8

## Timing of a Federal Health Care Bill

- **This nation is BROKE. We Have NO MONEY!**
- It is **NOT** time to **rush** through **massive**, complex **bills** like HR3200 that will:
  - drastically increase deficits
  - have unintended consequences (lost jobs, negative impacts on health care, etc.)
- Government should **fix or eliminate current programs** that are already in place before tackling major reform
- **Simpler, directed bills** that attack specific issues of Health Care Reform would be much more prudent

**NOW is the time to CUT spending NOT "fix" health care!**

2.9

## What A Federal Health Care Bill Should Do

- **Break down barriers that prevent companies from doing business nationwide and with foreign countries**
  - freely sell health insurance/services across State lines (see HR3217)
  - trade freely with foreign countries
  - reduces costs, increases competition, portability, choice and liberty
- **Equalize tax laws so that employer provided health insurance and individually owned health insurance have the same tax benefits**
  - increases opportunity for individual ownership of insurance
  - decoupling of job from health insurance increases individual choice/freedom

2.10

## What A Federal Bill Should Do (continued)

- **Reform prescription drug approval to reduce costs of bringing drug to market**
  - overbearing government regulations drastically increase drug costs and time to market
  - *example s:*
    - allow automatic approval for use if drug is approved by another "approved" nation or group of nations
    - repeal the Kefauver Amendment, making proof of a drug's safety the only requirement for FDA approval.
- **Remove Federal favoritism to drug companies and other corporate interests**
  - companies love government favoritism because it enables monopolies/oligopolies
  - reduced favoritism increases competition and reduces prices

2.11

## What A Federal Bill Should Do (continued)

- **Reform Medicare/Medicaid**
  - both are unconstitutional - should transfer to states
  - both have caused dramatic increases in costs of health services
  - implement voucher system
    - individual can use toward payment of private insurance or health services
    - compatible with free market, price transparency, freedom of choice
  - enforce free trade of medicare/medicaid vouchers/services across state lines
- **Tort Reform**
  - constitutionally this is mainly a state issue, however:
  - prevent states from mis-appropriating wealth from citizens of other states
  - oppressive state tort laws remain a threat to out-of-state defendants.
  - see HR3076 - purchase of "negative outcomes" insurance prior to undergoing surgery or other serious medical treatments using a dollar-for-dollar tax credit

2.12

## What A Federal Bill Should Do (Continued)

- **Remove government regulation and mandates to increase competition and reduce health care costs**
  - *it is a myth that health care in America is currently free market*
  - currently have a bastardized public/private model
    - special interests, lobbyists, and politicians manipulate everything
  - government mandates:
    - force redistribution of income from the healthy to unhealthy individuals
    - interferes with the free market and always drives up costs
    - reduce competition/choice/freedom
  - **quality, affordable health care for all**
    - does not and *cannot* happen by government mandate
    - **can only be attained through solutions that do not adversely interfere with the free market**

2.13

*"We can have a free society or a welfare state. We cannot have both."*

**Please Follow Constitutional, Free Market Principles and Enact A Sensible Health Care Reform Bill**

2.14

## 2009 Federal Financial Outlook

2009 Federal Deficit expected to exceed **\$1.6 trillion dollars**

- Deficit will equal 11.2 % of the nation's economy
  - This is largest since World War II
- Federal *spending* to grow this year by 24 % - largest increase since 1952
  - This is due to spending increases of more than \$700 billion dollars
- Federal *revenue* expected to drop by 17 % - largest drop since 1932
  - This is due to the recession

2009 Federal Debt will exceed **\$12 trillion dollars**

- Federal debt equal to 54 % of GDP
- Congress will *remove* the current debt limit of \$12.1 trillion dollars

***This is before Healthcare Reform or Cap and Trade***

3.4

## 10 year Federal Financial Outlook

2019 Federal Deficit expected to exceed **\$9 trillion dollars**

- Projection increased from \$7 trillion to \$9 trillion dollars *just this past week\_*
- CBO and White House are *assuming* the economy will recover within the next year
- New estimates are based on assumptions the economy will shrink by 2.2 % in 2009
- In reality, the economy shrank by 6.4% in the first quarter of 2009

2019 Federal Debt to exceed **\$79 trillions dollars**

- \$59.3 trillion in debt, liabilities, & unfunded obligations and \$20.4 trillion is interest
- This is as of September 30, 2008 (the end of the federal government's fiscal year)

***What will 2009 bring?***

3.5

## The Cost of HR 3200 - \$1.5 Trillion Dollars

- \$1.5 trillion dollars over the next ten years
- A minimum increase to the Federal Deficit of \$239 billion
- \$544 billion in income tax increases
- \$37 billion in business tax increases
- \$219 billion in Medicare cuts
- Additional funding from penalties applied to individuals and businesses whom may choose to not obtain or provide health coverage
- New spending will increase at a minimum of 8% per year between 2019 and 2029, while revenues are only estimated to grow at 5% - this will add an additional \$1.3 trillion in budget deficit increases beyond the \$239 billion already projected.

***Have our elected officials gone MAD?***

3.6

## Introduction

- My name is Sandy Streich, I am a Registered Nurse.
- I work in the greatest healthcare delivery system in the world-the United States of America.
- It's been a privilege and a fascination to work in the dynamic field of medicine, and to serve individuals in need of healthcare.
- My specialties included Intensive Care, Recovery room & Preop Care.
- I have worked in many areas, including: neonatal ICU; burn care; emergency room; day surgery; med-surg; orthopedics; home care etc-in both staff & management roles.
- Currently, I work as an RN Supervisor in a Telephone Disease Management role, working with commercial & Medicaid members.

4.1

## Position

Let me be clear on my position, professionally & personally:

- I agree healthcare reform is appropriate;
- I strongly disagree with government run national healthcare.

4.2

## Rational

My rationales include:

- I strongly believe government involvement in healthcare is not constitutional and that it would be an infringement upon individual freedom.
- Further, I strongly believe such healthcare would be against the professional nurse code of ethics.
- Traditionally, health care ethics have relied upon the principles of respect, autonomy, beneficence, non-maleficance, and justice.

4.3

## Rational (continued)

- Specific references in the professional code of ethics include provisions 1-3, which deals with values and commitments of the nurse:
  1. Respect for human dignity..."that people should treat others in the same manner in which they desire to be treated: that persons should be treated as ends in themselves, not means to an end (ex cost saving, rationing). This attitude translates in to respect for all persons;
  2. That the nurse's primary commitment is to the patient;
  3. That the nurse promotes, advocates for, and strives to protect the health, safety and rights of the patient.

4.4

### **Rational (continued)**

- I believe in limited government and, as the United States Constitution bears out, that the representatives work for the People of these United States of America.
- Amendment X: “ The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.”
- I believe any interference by the government into areas not deemed their domain by the Constitution is dangerous to the People, to the Individual and to their rights.
- Even given my brief review of some of the current healthcare proposals in HR 3200, the ‘ruthless pragmatism’ within are counter to individual free choice, individual freedom and hope, and individual pursuit of “life, liberty pursuit of happiness.”
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4.5

### **Rational (continued)**

- The government has not demonstrated cost effectiveness and success in Medicaid and Medicare, current health care delivery systems under their management.
- The government does appear to have a current and growing crisis in its Medicaid & Medicare health care programs.
- I urge representatives to put their attention to these government health care programs which are in crisis.

In 1965, Medicare and Medicaid were enacted as Title XVIII and Title XIX of the Social Security Act, extending health coverage to Americans aged 65 or older & providing health care services to other populations, including low income children/their caregivers, the blind and individuals with disabilities. (from Centers for Medicare & Medicaid services, history)

4.6

### **Rational (continued)**

According to the article, “The Top Ten Reasons for Medicaid Reform”, Nina Owcharenko, April 12,2005. Examples of stated concerns include:

1. Medicaid has grown to cover an extremely broad and diverse group of individuals- over 46 million, at a cost of about \$338 Billion, for FY2006.
2. Under Medicaid, States must provide certain benefits to all enrollees.
3. Due to Medicaid’s low reimbursement rates & burdensome bureaucracy, fewer physicians are agreeing to accept Medicaid patients.
4. In order to control spiraling costs...Medicaid programs restrict access to treatment and services.
5. Decentralized and representative in nature, with the government’s purpose strictly limited by the Constitution to the protection of liberty and private property ownership. Founders believed the majority should never be able to undermine this principle and that the government must be tightly held in check by constitutional restraints.
- 6.

4.7

### **Rational (continued)**

According to the article, “Medicare and Social Security: the Challenge of Giant Entitlement Costs”, David C. John & Robert E. Moffit, March 25, 2008. Examples of stated concerns include:

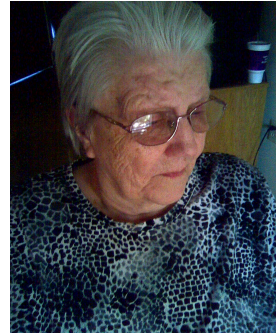
1. Of the two programs, Medicare presents the greater challenge to Congress and taxpayers. The first wave of the 77-million strong baby boomer generation will start to retire under Medicare in 2011
2. There is no substantive improvement in the outlook for the HospitalInsurance Trust Fund, which is still projected to be exhausted by 2019.
3. The only responsible policy option for Congress and the Administration is to embark quickly on serious reform of the Medicare program.

Additional Reference: Congressional Budget Office Testimony, before Special Committee on Aging, US Senate, 7/13/2006.

4.8

## A Bed for My Mom

- My Mother has Progressive Dementia



5.1

- Mom needed to be placed in a skilled nursing facility after several stays in the hospital
- She was NOT a Medicare patient. She and Dad had planned ahead and saved
- No beds were available for private payers, but there were empty beds for Medicare
- Someone died so Mom could have a bed
- **FIRST DO NO HARM.** Keep the camel's nose out of our tent.

5.2

"You cannot legislate the poor into freedom by legislating the wealthy out of freedom. What one person receives without working for, another person must work for without receiving. The government cannot give to anybody anything that the government does not first take from somebody else. When half of the people get the idea that they do not have to work because the other half is going to take care of them, and when the other half gets the idea that it does no good to work because somebody else is going to get what they work for, that my dear friend, is about the end of any nation. You cannot multiply wealth by dividing it."

~~~~ Dr. Adrian Rogers, 1931

5.3



Health Care Reform is needed but not at the expense of Liberty and Freedom.