

The Detroit News

June 12, 2007

New Hillary care plan contains same old ailments

By Devon M. Herrick

Hillary Clinton is up to her old tricks again. The Democratic presidential hopeful recently unveiled HillaryCare 2.0 and promoted it in a weekend visit to Michigan. While it may be a slimmed-down version of her original nationalized health care plan, it maintains the original's focus on federal bureaucracy over lowering costs and access.

This is not to say Hillary did not learn anything from her experience of 15 years ago. Back in 1992, Congress became irritated by the secret deliberations Hillary conducted behind closed doors. And the public was baffled by the complexity of the ensuing health care proposal that surpassed 1,300 pages.

At the heart of her "new" plan is the idea that everyone should have health coverage. She stops short, however, of making health insurance an individual mandate. Rather, she says the government should consider requiring individuals to have health coverage.

She's not so soft on insurers, drug makers and employers. Insurers would have to accept all applicants regardless of

health status. She would also rein in direct-to-consumer drug advertising.

The first time around she wanted to decouple health coverage from employment. That proved to be a nonstarter, so in HillaryCare 2.0 candidate Clinton would require employers provide health coverage or subsidize workers' coverage in some other way. Under "pay or play," employers would be forced to spend money on health care or pay a fee into a state-run pool. Either way, it amounts to an extra tax on labor.

Clinton also doesn't appear to champion personal and portable health insurance or consumer-driven health care. Those ideas aren't compatible with a move toward a government-run health care system. Instead, she recycled the idea of allowing those who lack access to employee health coverage to buy into Medicare or the federal health plan; thus moving more people into a system run by the government.

Although she admits the need for tort reform, her proposal is "trial lawyer friendly," so don't expect physicians' stratospheric expenditure on malpractice

insurance or excess spending on defensive medicine to fall.

Finally, there is something we can all agree upon: The government should encourage investment in information technology and look for ways to improve quality and reduce waste. Of course, she doesn't explain how to accomplish this utopian health care feat -- or who would pay the bill.

If you have an inkling that this sounds like *déjà vu* all over again, you'd be correct. State proposals from California, Illinois and Pennsylvania each contain a portion of her plan. She also incorporates the bad elements of the Massachusetts plan, but none of the good.

Guaranteed issue, the new cause celebre among the Democratic health care reformers, requires insurers to sell policies to all state residents who apply, regardless of their health status or pre-existing medical conditions. It is usually coupled with community rating, wherein everyone pays the same premium.

While guaranteed issue sounds like a way to protect consumers from costly illness, it actually harms them by

driving up prices for the majority of people who are healthy. When insurance companies are forced to accept all applicants, they raise premiums to guard against the increased risk of losses. As a result, insurance is a poor value for everyone except those with serious health conditions.

Where these regulations have been tried, the costs skyrocketed and the individual market largely went away, as lower-income and healthy people are driven out of the individual market. While proponents claim this cannot

happen when everyone is required to have insurance, a nominal penalty is unlikely to entice young, healthy people into buying expensive coverage.

What happens when the insurance market is saddled with regulations until it becomes cost prohibitive? Insurers drop out of the market and healthy enrollees balk at paying for high-priced coverage, and renewed calls for government intervention will ensue.

HillaryCare 2.0 is destined to fail. But that may be part of

the strategy. Clinton has already suggested allowing increasing numbers of people to enroll in Medicare or Medicaid. In the end, the biggest lesson she may have learned from her previous failure is that it may be easier to get the electorate to swallow the entire socialized medicine loaf if she feeds it to us one slice at a time.

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