

Executive Alert Extra

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WHAT'S HAPPENING AT THE NCPA

SEPTEMBER/OCTOBER 2004

Board Adopts Major Reforms

NCPA Board Chairman Thomas Smith has announced several exciting changes help the NCPA to continue to provide cutting-edge research about our nation's most pressing issues now and into the future.

Under the direction of Development Committee Chairman Bob Wright, the board has agreed to become the driving force in fundraising and has established a three-year development plan, including a new, permanent reserve fund. The plan calls for a one-year fundraising goal of \$6.4 million with \$1.2 million for a reserve fund, and a board commitment to raise a three-year reserve of \$5 million. In order to reach this goal, the board has committed to amplify their personal commitment and encourage new support through board-hosted briefings, conferences and other events. Planned events include two exciting Chairman's Council conferences. The first conference, which is open to Chairman's Council members only, will be at the exclusive Lyford Cay Club in the Bahamas. The second conference is open to all donors and will be a luxury cruise from Montreal, Canada, to New York City.

The board also established a governance committee, chaired by Fred Meyer, that is responsible for assisting the board in fulfilling its oversight responsibilities. Thus far they have established specific criteria for board membership and revised the bylaws.

Also critical to the NCPA's long-term success was the adoption of a succession plan in case of death or the planned transition of the chief executive. Key elements of this plan include the outline for the process of transition and the purchase of a key person life insurance policy to protect and sustain the NCPA for one year.



Board Chairman Tom Smith.



James Cleo "Jimmie" Thompson, Executive Committee Member (left) and Michael Whalen, Audit, Budget & Finance and Governance Committee Member.

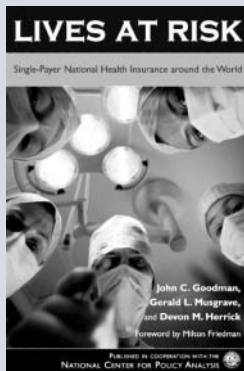


Gov. Pete du Pont, Policy Committee Chairman (left); Robert Wright, Development Committee Chairman (center) and Virginia Manheimer, Audit and Budget & Finance Committee Member.



Fred Meyer, Governance Committee Chairman (left) and Don Buchholz, Development and Governance Committee Member.

Lives at Risk



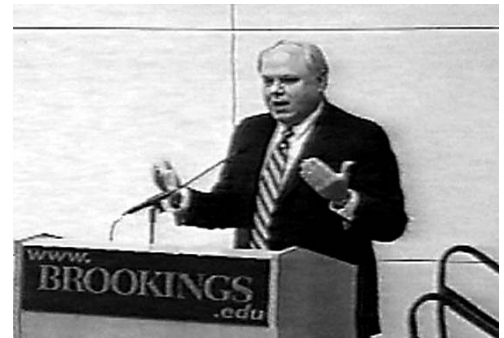
How many times have we heard from the left: to solve our health care problems, all we have to do is copy the Canadian system? Or if not Canada's, some other "single-payer" system? In book stores after Labor Day comes a definitive response – *Lives at Risk*, co-authored by NCPA President John Goodman and NCPA Senior Fellows Gerald Musgrave and Devon Herrick.

Lives at Risk is the most comprehensive analysis ever published of the effects of national health insurance (single-payer insurance) in countries around the world. It presents overwhelming evidence that these health systems under-provide to the sick (often denying them lifesaving care), while at the same time over-providing marginal services to the relatively healthy. It also shows why the defects of these systems are the natural and inevitable consequences of the politics of medicine, rather than incidental blemishes that can be reformed away. Among the groups that suffer the most from health care rationing are: the elderly, the poor, the residents of rural areas and racial minorities.

Lives at Risk is published by Rowman and Littlefield and is available in bookstores across the country or online at Amazon.com.

Bartlett on Taxes

What is the most appropriate level of taxation? Are there any pitfalls to policies aimed at "soaking the rich?" Should the U.S. undergo fundamental tax reform? These were just some of the issues NCPA Senior Fellow Bruce Bartlett addressed at a recent Capitol Hill briefing sponsored by the Heritage Foundation, the National Taxpayers Union and Citizens Against Government Waste.



Bruce Bartlett also spoke at a briefing on tax policy and the deficit sponsored by the Brookings Institution.

Bartlett stressed that pressures on the economy from the deficit and the pending retirement of the baby boom will force taxes as a share of GDP to rise in the near future. Yet, more important than the amount of revenue that needs to be raised is the method the government uses to raise it. Bartlett suggested we need to insure we have lowest possible marginal tax rates while having the broadest possible tax base.

Goodman on HSAs

For over a decade, NCPA President John C. Goodman has led the charge for empowering patients to be in greater control of their health care decisions. A central tenet of this effort has been the belief that patients are better arbiters of their health care dollars than are third party payers, such as insurance companies or government. And that the best mechanism for this empowerment is a Medical Savings Account, now known as a Health Savings Account (HSA).



As of January 2004, 250 million non-elderly Americans have access in principle to HSAs. Individuals will now be able to self-insure for some of their own medical needs and manage some of their own health care dollars. Because of his role as a spokesman for the idea, Goodman was recently called the "Father of HSAs" by the *National Journal* and many others.

Continuing in his role as chief spokesperson and proponent of HSAs, Goodman participated in a forum at the American Enterprise Institute, broadcast on C-Span, to discuss the Treasury Department's guidance on HSAs and their efforts to develop them within the provisions of the law. Goodman also offered suggestions on how HSAs could be improved and his belief that they will revolutionize the health industry.

NCPA Launches “Taxes & Growth” Web Site

Ever since our first foray onto the Internet, the NCPA’s vision has been to become a clearinghouse for the best information and research, providing access to research from our own scholars, as well from others throughout the policy community. In recent years the NCPA has built on this tradition by developing several policy issue-specific Web sites that provide researchers, the media and policy makers with a central location to access everything they need to know on a given topic.

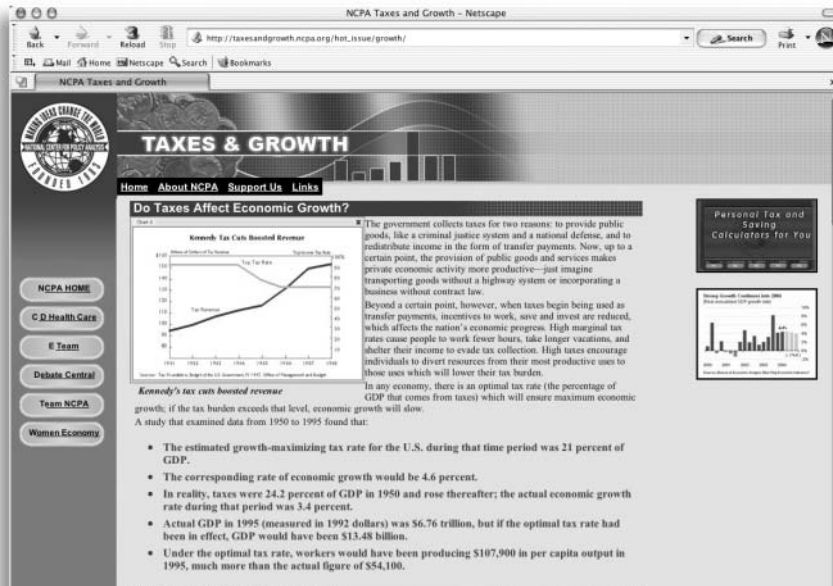
The newest NCPA issue-specific site is *Taxes & Growth*. Visitors to this site can find answers to such topical questions as: What do taxes have to do with economic growth? Are President Bush’s tax cuts working? Do the poor stay poor? Do the rich and businesses pay their fair share of taxes?

There are also links to a wealth of information on supply-side economics, the deficit, capital gains taxes and taxes on dividends, the death tax, the flat tax, and economic growth effects among others. In addition, visitors can access NCPA’s latest tax and economic studies and view commentaries from leading scholars, including NCPA Senior Fellow Bruce Bartlett. Bartlett also provides his insights via his personal blog – a continually-updated Internet journal.

For most students, *Debate Central* is their first exposure to the concept that remedies to important national problems exist outside the federal government.

The site also allows debaters to ask questions of top experts and to communicate with other debaters in debate chatrooms. The goal: to provide every student, regardless of means, everything he or she could possibly need to prepare for a debate. Since 2001, the site has averaged more than 1 million hits per month and currently boasts 1,000 registered users in its chatroom.

If you would like to support this project, contact the NCPA’s Development office, at 972-386-6272.



Debate Central

As another school year begins, so too does another season of high school debate. Every year, the National Federation of High Schools selects a new nationwide debate topic. The 2004/2005 debate topic is Resolved: That the United States federal government should establish a foreign policy substantially increasing its support of United Nations peacekeeping operations.

Building a good case requires hours of research and can be expensive to prepare fully. That’s why for many years, debate was the domain of a privileged few, mostly in the wealthy suburbs.

Thanks in large part to the Internet, however, that is changing. Unfortunately, finding everything a debater needs can be time-consuming and expensive in its own right, as many Internet-based debate resources charge a subscription fee.

That’s why every year the NCPA reconstructs *Debate Central*, the most comprehensive online resource for students participating in the national high school debate program. *Debate Central* a Templeton Freedom Prize winner, is a free site that is updated daily, and currently contains links to over 760 research articles and news stories. It is designed to provide a balanced view of the topic from a wide range of viewpoints.



NCPA President John C. Goodman.



NCPA Senior Fellow Bill Conerly.

Goodman to Debate Kerry Health Care Plan

Democratic Presidential Candidate Senator John Kerry wants your money and your life. He has proposed a bold new health plan with a ten-year cost in excess of \$1 trillion, paid in part by rescinding President Bush's tax cuts for the highest income taxpayers.

NCPA President John Goodman will debate the relative merits of Kerry's health care ideas with Kenneth Thorpe of Emory University, widely speculated to be the author of Kerry's health approach, in a separate appearances on Capitol Hill and at the National Press Club in September. Goodman and Thorpe first engaged each other on this topic during a joint appearance on CNBC's *Kudlow & Cramer*.

According to Goodman, "Kerry is seeking to completely transform the U.S. health care system. The changes are far more radical than even he has let on. If Kerry is successful, millions of middle-income families will enroll in Medicaid, the federal-state health program for the poor. Millions more will get their insurance through a system of managed competition, similar to what Hillary Clinton proposed more than a decade ago. Most people would be unable to remain in the private health plan they have today."

Goodman & Conerly Speak at Mont Pelerin Society

NCPA President John C. Goodman and NCPA Senior Fellow Bill Conerly presented papers at the annual meeting of the Mont Pelerin Society, an international society of economists and scholars whose membership has included seven Nobel Laureates including Milton Friedman and Gary Becker.

Goodman's presentation was a comprehensive examination and rebuttal of the major myths of national health insurance. Conerly presented a paper explaining his proposal for privatizing unemployment insurance. Conerly's proposal would call for the creation of reemployment accounts that would provide the unemployed the ability to seek job retraining, as an alternative to the current system that encourages workers to remain unemployed.

NCPA Event Schedule

The NCPA is pleased to announce the following event. Details for this event will be forthcoming. Please contact the Events Department at 972-386-6272 to reserve your place at this exciting event or register online at www.ncpa.org on our new user-friendly, secure registration form.

September 14 – NCPA & Brookings Institution co-host Capitol Hill briefing on Retirement Savings.

September 22 – NCPA Capitol Hill briefing on the Kerry health care plan featuring NCPA President John Goodman and Emory University's Kenneth Thorpe.

September 22 – National Press Club "Newsmaker Series" featuring NCPA President John Goodman and Emory University's Kenneth Thorpe debating John Kerry's health care plan.

October 12 – NCPA's Hatton W. Sumners Distinguished Lecture Series featuring Texas Governor Rick Perry. Noon to 1:30pm CT at the Wyndham Anatole Hotel in Dallas, TX.

November 12-13 – NCPA's Sumners Scholars Public Policy Seminar at the Wyndham Garden Market Center Hotel in Dallas, TX.

Executive Alert Extra®

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