



Obamacare to Come: Seven Bad Ideas for Health Care Reform

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Executive Summary

President Obama has made it clear that reforming the American health care system will be one of his top priorities. In response, congressional leaders have promised to introduce legislation by this summer, and they hope for an initial vote in the Senate before the Labor Day recess.

While the Obama administration has not, and does not seem likely to, put forward a specific reform plan, it is possible to discern the key components of any plan likely to emerge from Congress:

- At a time of rising unemployment, the government would raise the cost of hiring workers by requiring employers to provide health insurance to their workers or pay a fee (tax) to subsidize government coverage.
- Every American would be required to buy an insurance policy that meets certain government requirements. Even individuals who are currently insured - and happy with their insurance - will have to switch to insurance that meets the government's definition of "acceptable insurance."
- A government-run plan similar to Medicare would be set up in competition with private insurance, with people able to choose either private insurance or the taxpayer-subsidized public plan. Subsidies and cost-shifting would encourage Americans to shift to the government plan.
- The government would undertake comparative-effectiveness research and cost-effectiveness research, and use the results of that research to impose practice guidelines on providers - initially, in government programs such as Medicare and Medicaid, but possibly eventually extending such rationing to private insurance plans.
- Private insurance would face a host of new regulations, including a requirement to insure all applicants and a prohibition on pricing premiums on the basis of risk.
- Subsidies would be available to help middle-income people purchase insurance, while government programs such as Medicare and Medicaid would be expanded.
- Finally, the government would subsidize and manage the development of a national system of electronic medical records.

Taken individually, each of these proposals would be a bad idea. Taken collectively, they would dramatically transform the American health care system in a way that would harm taxpayers, health care providers, and - most importantly - the quality and range of care given to patients.

The full text of this paper is available [here](#).

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