

Repeal But Not Replace

The Republican leadership in the Senate agonizes over how best to “replace” Obamacare. They thus start with a flawed premise which is bound to fail. Based on the paternalistic and freedom depriving notion that it is for the government to compel the individual to obtain insurance and it is for the government to dictate the kind of insurance available to all, Obamacare invariably leads to market distortions that increase cost, to government influenced or mandated allocation of medical resources which rations care, to a government centric rather than patient centric system, and to near universal disappointment and inadequate care. The business of insurance is one of careful measurements of risk dependent upon a myriad of factors which nonetheless leaves ultimate care decisions to patients willing to pay and doctors willing to perform. An effort to impose a one size fits all standard on health insurance thus alters not only the make-up and cost of insurance (limiting options and increasing costs) but it also delimits medical practice, which must bend to accommodate insurance demands regardless of medical realities and professional preferences.

So, when the Republican leadership presumes to keep Obamacare in place in part and tweak it, or diminish its scope but infuse it with funding to keep it on life support, the Republican leadership begins with a failed premise, thus dooming itself and the nation to defeat. The Republican leadership is thereby conceding the anti-market, government paternalistic premise (the corrupt heart and soul) of Obamacare, the very evil that Republican voters demanded their officials end in the 2016 elections.

There is a principled alternative to Obamacare appeasement, one that removes top down, government dictation of health insurance and health markets and replaces that state paternalism with a patient centric system replete with freedom

of choice. As in most all things, the central question is who exercises ultimate freedom to determine whether and to whom dollars enter the health care system: Is it the government by insurance company proxy or is it the patient in each individual case? All who value freedom should prefer a patient centric health care system where patients determine whether and who to pay, where doctors are attentive to the needs and demands of patients first and foremost and to insurance companies only secondarily.

There is no way to retain any element of Obamacare and revivify a patient centric system where market forces prevail over government mandates. Consequently, the first order of business must be complete repeal of Obamacare, leaving none of it.

The sequence of overall legislative events germane to this issue is backward. Tax reform should have preceded Obamacare repeal and replace. That is because the ultimate patient centric alternative to Obamacare is best triggered through amendments to the tax code, not government control of health insurance markets.

In my book, *Restore the Republic*, I advocate a simple, yet profound free market alternative to Obamacare, one that removes government control and replaces it with individual preferences. That alternative creates a true incentive to finance the care of those in need who cannot afford to pay for insurance or care but leaves the ultimate freedom to follow that incentive with the individual. It is simple alternative, and yet, its effects would be revolutionary in empowering patients and ensuring no federal government limits on the nature, degree, quality, or quantity of health care offered.

Here is the overall plan. Congress would repeal Obamacare immediately but not replace it. Congress would then move forward with President Trump's tax reform measures, lowering

corporate and individual rates to trigger an economic boom. In addition to the Administration's slated reductions in taxation would come the tax reform measure I recommend to encourage private action to care for those who cannot afford health insurance or the care they need. This tax reform would be the free market replacement called for by the electorate.

It works this way. For every dollar an individual or entity spends to cover the health insurance or health care costs of an individual who cannot afford to pay for same, the donating individual or entity would receive a \$1.50 federal tax deduction. Under this simple measure, companies of all sizes would have a major incentive to provide health insurance for employees who cannot afford it and also to pay directly either for health insurance for, or part or all of the medical expenses of, identified others in need because doing so would result in a significant tax deduction. Individuals would likewise have a great financial incentive to pay for relatives in need or identified others in their communities who have needs. Finally, hospitals, medical groups, and individual physicians would also have a huge incentive to pay directly for the costs of caring for the indigent, because doing so would result in a substantial tax deduction.

Most importantly, money would be restored to private hands and individual patients would be empowered by the tax plan. That would be the free market antithesis of Obamacare.

In short, rather than accept as given the offensive premise at root in Obamacare that government knows better than an individual what how that individual should spend his health care dollars, we should reject that premise, reject Obamacare in totality, and "replace" it not with additional government but with no government at all, using instead the power to relieve tax burdens as a way to encourage the provision of patient-centric care.

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