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Formal Writing Assignment

Every country has its own system of health care. However, the question everyone has to answer is which health care plan is most efficient and effective for him or her? The following are three types of health care systems currently present in developed nations: the Affordable Health Care Act, a single payer system, and a system that involves having neither of the two and using the free market. Each of these three health care systems has pros and cons, but ultimately, one has to be the logical option for an individual in need of health care.

Initially, the Affordable Health Care Act appears to provide control to its recipient. People or businesses are given limited options to meet their health care needs under this system. Some of the key features of the Affordable Health Care Act include eliminating lifetime limits on insurance coverage, establishing consumer assistance programs in the states, providing small business health insurance tax cuts, offering relief for four million seniors who hit the Medicare prescription drug “Donut Hole,” providing free preventive care, preventing disease and illness, and cracking down on health care fraud (HealthCare.gov). These are just a few of the long list of changes that are being implemented. However, many of these changes may be less advantageous than they first appear which will be explained in future paragraphs.

A single payer health care system works by having all recipients contributing payments into one single pool. From that account, individuals or groups will be covered for their health care needs. The government controls the inflow and outflow of money from this pool with few exceptions. The government pays for all of the medical fees and services, but then charges each

of the members for the usage of this health care system (“Single-payer health care”). An example of a single payer health care system would be Medicare, except for the fact that it is restricted to only senior citizens and certain other classes of individuals (“Single-payer health care”). One of the largest downfalls of this system is the long waiting list for doctor’s appointments and surgery time slots that could lead to one’s demise or further health problems of the individual (Insurance Providers).

Finally, a free market health care system is a health care system that is not controlled but regulated by the government. Different insurance options are given to the members to choose from. This system would provide alternatives to the patients, therefore creating a competitive situation keeping the prices down and affordable to all of the people. The free market health care system “shows that people can choose among competing health care plans that have new incentives to offer better benefits at lower costs,” and it would apply to all age levels and situations (Turner, Grace-Marie). As it says in its name, a “free” market health care system would give everyone the “freedom” to choose their own insurance company depending on their specific needs.

The American people need a better solution to health care due to the high cost and second-rate care that exists today compared to other developed nations. The best solution to improve health care would be having a free market health care system rather than the Affordable Health Care Act. One of the issues with the Affordable Health Care Act that would not occur in a free market system is the challenge of providing health insurance to people who do not work or choose not to work and cannot afford to pay for health care themselves. In addition, a great portion of our nation’s taxes are spent covering the health insurance for people who are not working citizens of the United States due to the large illegal immigration population (Cafferty,

Jack). A free market system would not require everyone to have health care as a United States citizen or otherwise, and if desired, people could choose their own coverage amongst competitive insurance companies. This system would eliminate government sponsored insurance coverage and would provide more options for paying customers.

Many people in the United States are unemployed due to the weak economy; however, there are an unlimited number of jobs still available that may not be an individual's first choice. In 2011, there existed 45 million people on welfare (Cafferty, Jack). If these 45 million people pursued employment, albeit their job may be below their skill level, they would not need welfare and would be able to pay for their own health insurance. This is the issue with the current Affordable Health Care Act; people that could have a job and decide not to work are not able to pay for their own health insurance. This is not fair for those who do work. As a result, the tax paying working person pays higher taxes to cover the health insurance for those who do not work and for those who do not want to work. The Affordable Health Care Act does not provide health care fairly to all people of our nation. It is believed that this act promotes the idea that it is easier to receive health insurance supplied free by the taxpayers instead of working and paying for it themselves. Again, a free market system would eliminate all of these problems, requiring every person to pay for their own health insurance, creating a fairer and just system.

The results of the 2012 presidential election may have a large impact on employment because of the possible implementation of the government mandated Affordable Health Care Act. This will indirectly cause more people to lose their jobs and rely on welfare and government provided insurance. Many employers have been sending out emails to their employees explaining that if President Obama is reelected, that the employer may be forced to reduce their staff because of the increased health care costs required by the government (Greenstein, Andrew). Obama

supports the addition of taxes on business owners in order to carry out the Affordable Health Care Act. In a recession, increasing any taxes on business owners is not conducive to an economic recovery (Schansberg, Eric). It is believed that if he is reelected and carries out raising health care taxes on business owners, the deficit will continue to grow and health care costs will continue to rise for those who work. This in turn will decrease the average individual's spending power because more of their cash flow will be directed towards health care cost. The amount of money that is available to purchase a home will be less, as well as other discretionary spending. In other words, the implementation of the Affordable Health Care Act will cause people to lose their jobs, which will in turn affect the money available to spend in the housing market, as well as other sectors of our country's economy.

As mentioned above, a reason that the cost of health insurance is going up is due to a severe recession, like the one that occurred in 2008 (Schansberg, Eric). Using a free market health care system would cut down on costs because one would only be paying for their specific health care needs. In contrast, by having the Affordable Health Care Act, the government has the power to set price controls on what every person pays (Cannon, Michael). Based on research, there are two parts to the free market solution. It involves Medicare reform and tax reform (Cannon, Michael). Medicare reform would give seniors the control to decide where their money is spent. A member would be issued a "voucher" so they can decide what health plan is right for them (Cannon, Michael). People who are poorer and possibly sicker would be given a larger "voucher," whereas individuals who are wealthier and possibly healthier would be issued a smaller "voucher" (Cannon, Michael). This "voucher" would cover a basic health care plan but the senior would have the opportunity to upgrade to a more comprehensive plan "out-of-pocket" (Cannon, Michael).

Tax reform would benefit those individuals who are under the age of 65. Currently, health insurance companies are given tax breaks for insurance provided to an individual through an employer versus insurance acquired directly by the individual (Cannon, Michael). Also, an employer reduces an employee's wages to compensate for their health plan contribution (Cannon, Michael). This controls an additional portion of an employee's wages with their health care decisions to a greater level. A single person already pays close to \$4,000 a year out of their earnings for health care and a family pays almost \$10,000 a year for coverage (Cannon, Michael). The employee's control is also limited because their employer may only have a few options of health insurance available to them. A study in 2008 explains that close to eighty percent of covered workers only had two choices for insurance options and forty seven percent of these individuals only had one option of coverage (Cannon, Michael). A free market system would give the control to all individuals, seniors and working-aged people, to choose the health care plan that is best for their specific needs. When the people have control of their money and these taxes are lowered, an estimated \$532 billion a year will be saved and stay in the pockets of the employees of this country. After ten years, this equates to \$9.7 trillion, which will not increase the federal budget deficit (Cannon, Michael). By doing so, companies across the country would be forced to pay their employees the value of the cancelled health benefits, again, giving the people more control (Cannon, Michael).

In a free market health care system the consumer would not only save and control their money, but the state government would save as well. If the state government is saving money, this could help slow and, eventually with time, lower the federal deficit. Currently, state health insurance licensing is highly regulated and costs the state a large amount of money (Cannon, Michael). It also prevents insurers and individuals from shopping for health care in other states,

keeping health care costs high for the consumer (Cannon, Michael). Our country has some of the largest number of enforcement agencies and commissions overseeing medical doctors (Jones, Henry). The cost for medical licenses of practitioners is high and eliminating this would increase the supply of doctors in the health care system and improve the variety of services available (Hoppe, Hans-Herman). A free market health care would provide a market-based certification for medical doctors, hospitals, and pharmacies to lower the costs ("Free-market health care"). It is believed the Affordable Health Care Act will continue to create more regulations as more problems arise, as long as it is in existence. Duplication of regulations and bureaucracy has proven to be costly in the past and streamlining the regulatory agencies would lower health care costs (Jews, William). Again, cutting health care costs would give the consumer more control and more choices. Studies have shown that state health-insurance regulations increase health care premiums by 15 percent (Cannon, Michael). Streamlining regulations could help reduce a family's health care costs by \$1000 (Cannon, Michael). It would also reduce government cost which would ultimately help lower the national debt (Cannon, Michael). The state government would have more money to spend on the things that are actually needed and would be able to reduce the number of loans, aiding in decreasing the deficit.

President Obama supports the Affordable Health Care Act; however, if it continues, the cost of health care under the system may double. Studies show that Medicare costs are much higher than initially released and it could be as much as \$38 trillion by 2018 (Rosenbloom, Frank). It has also been stated that the government used flawed statistics to promote the Affordable Health Care Act by stating 45 million people are uninsured today (Rosenbloom, Frank). Providing incorrect information is not the way to promote a health care system, making the consumer question the reality of the Affordable Health Care Act. It is believed that if the Affordable

Health Care Act continues, there is a good chance that this inconsistent information will persist and cost the consumer much more than predicted. As mentioned earlier, a free market system will not cause health care prices to go up. It will lower health care costs by increasing competition and giving the consumer more health care choices.

Another reason as to why this is true is due to the justice system's "American Rule." The American Rule "drives up malpractice-insurance expenses and forces doctors to over-treat patients to cover all contingencies and provide maximum protection against lawsuits. Of course, those costs are passed on to consumers, and the price of health care keeps rising. So the American Rule must be done away with" (Blog, Wallet).

Another benefit of free market health care is that prescription drugs would be less expensive. The free market health care system would eliminate the monopoly and tariffs on imported drugs (Health Freedom 2012, "Free-market health care"). Also, some believe that the drugs approved by regulatory agencies in other industrialized nations should be available in the United States (Bandow, Doug). This would not only drive down the cost of drugs, but it would also improve patient care (Bandow, Doug). However, the Food and Drug Administration could take an advisory role in determining the safety of these pharmaceuticals (Bandow, Doug). Again, this would lower the cost of drugs and quicken the availability of them. It is said that millions of people are not able to receive treatment for their medical issues because of the increased drug development costs that is controlled by the FDA. The Affordable Health Care Act would continue to support the FDA and its extensive safety regulations and efficiency requirements, which will continue to increase in cost at a rapid rate. However, the idea of a free market health care system is not to completely remove the FDA, but to "reflect current scientific opportunities

and patient needs” (Bandow, Doug). Again, competition is a large factor in this because there is a lack of it in the “drug approval process” (Bandow, Doug).

It is believed another benefit to the free market health care system would be a decrease in waiting time for doctor’s appointments and medical surgeries. Currently, appointments for even simple issues can take many months to schedule. Complicated medical issues involving specialists may take even longer. This system is not efficient. It is thought that a free market health care system would increase competition for the consumer’s business, forcing health care providers to be more accessible if their business is to succeed. It will also allow people to bypass a lot of the paper work that exists with a government-regulated health care system such as the Affordable Health Care Act. As mentioned earlier, regulations slow down every process of health care and cost the country a large amount of money. Without them, people can make an appointment to see their doctor in a shorter period of time.

It can be seen from the stated facts above that the free market health care system can be thought of as a model of Kantian ethics. The idea of Kantian ethics states that humans must be treated as subjects, not as objects. Humans, or subjects, should be treated as rational and free agents. All humans should be treated equally and have the freedom to make choices in our free enterprise system. With this said, a free market health care supports that everyone that wants health care should pay for it himself or herself, rather than creating an unequal system. An unequal system would be where some work and pay taxes, which pays for the health care for those who do not want to work. As said above, Kantian ethics explains that humans should be treated as subjects not as objects. The Affordable Health Care Act treats humans as objects by controlling and limiting what health care they use, while a free market health care system would treat them as subjects, giving the people the control and freedom they want.

Clearly, there are many problems with the Affordable Health Care Act, which is exactly why it should be repealed. A free market health care system would be the best provider of health care services in a free enterprise country like the United States. A free market health care system would provide more health care options to the individual, reform Medicare and make it more efficient, reform the tax code and give more control to the consumer, make health care more affordable, prevent employees from losing health insurance when a job is lost, decrease costs by eliminating state medical licensing and health insurance licensing, lower drug costs, shorten waiting time for doctor's appointments, and lower the national debt. The list goes on and on; however, the free market health care system will continue to be at the top of the list of health care plans that should be considered for use in the United States.

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