

## CURRENT PROPOSALS FOR NATIONAL HEALTH INSURANCE: PROBLEMS

1. **Escalating U.S. healthcare costs make the present course unsustainable.** However, current national health insurance proposals would **increase** rather than decrease costs, leading to bankruptcy for federal and state governments or rationing of healthcare services.
2. **Healthcare “wedge”:** Economic separation of effort from reward, consumers/patients from producers/healthcare providers, caused by government policies.
3. **A primary driver in rising healthcare costs is the healthcare wedge,** and rising government expenditures on health care are the main factor driving its growth.
4. **Proposed public health insurance exchange, mandated minimum coverage, mandated coverage of preexisting conditions, and required purchase of health insurance** will further increase the wedge, thus causing a probable further increase in medical price inflation.
5. **1960:** Private sector funded **over 75%** of the nation’s healthcare expenditures. **2007: Less than 54%** of total expenditures paid by the private sector—nearly 50% funded by federal and state governments.
6. **Thirty million people would remain uninsured** despite the proposed 10-year \$1 trillion increase in federal health subsidies which would add \$285.6 billion to the 2019 deficit.

## NATIONAL HEALTH INSURANCE: SOLUTIONS

1. **Identify the core problem:** The major crisis in the U.S. healthcare system is **poor incentives**, even disincentives, for patients and medical providers to increase healthcare quality and/or decrease costs.
2. **Help the 15% of Americans lacking health insurance coverage** without sacrificing the vast majority of Americans with satisfactory coverage.
3. **Focus reform on immediate, measurable improvements in accessibility and affordability** without jeopardizing quality, individual choice, or personalized care.
4. **Implement patient-centered healthcare reform**—empower patients and doctors to make effective, economical choices: **individual ownership of insurance policies, health savings accounts, interstate insurance options, reduction in mandated benefits that insurers are required to cover, reallocation of much Medicaid spending into an income-based sliding-scale voucher program, reform of tort liability laws, and elimination of unnecessary scope-of-practice laws.**



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