

From The Wall Street Journal:

## **How to Make Health-Care Reform Bipartisan**

By Governor Bobby Jindal

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In Washington, it seems history always repeats itself. That's what's happening now with health-care reform. This is an unfortunate turn of events for Americans who are legitimately concerned about the skyrocketing cost of a basic human need.

In 1993 and 1994, Hillary Clinton's health-care reform proposal failed because it was concocted in secret without the guiding hand of public consensus-building, and because it was a philosophical over-reach. Today President Barack Obama is repeating these mistakes.

The reason is plain: The left in Washington has concluded that honesty will not yield its desired policy result. So it resorts to a fundamentally dishonest approach to reform. I say this because the marketing of the Democrats' plans as presented in the House of Representatives and endorsed heartily by President Obama rests on three falsehoods.

First, Mr. Obama doggedly promises that if you like your (private) health-care coverage now, you can keep it. That promise is hollow, because the Democrats' reforms are designed to push an ever-increasing number of Americans into a government-run health-care plan.

If a so-called public option is part of health-care reform, the Lewin Group study estimates over 100 million Americans may leave private plans for government-run health care. Any government plan will benefit from taxpayer subsidies and be able to operate at a financial loss—competing unfairly in the marketplace until private plans are driven out of business. The government plan will become so large that it will set, rather than negotiate, prices. This will inevitably lead to monopoly, with a resulting threat to the quality of our health care.

Second, the Democrats disingenuously argue their reforms will not diminish the quality of our health care even as government involvement in the delivery of that health care increases massively. For all of us who have seen the Federal Emergency Management Agency's response to hurricanes, this contention is laughable on its face. When government bureaucracies drive the delivery of services—in this case inserting themselves between health-care providers and their patients—quality degradation will surely come. House Democrats seem willing to accept that problem to achieve their philosophical aim—the long-term removal of for-profit entities from the health-care landscape.

Third, Mr. Obama's rhetoric paints a picture of a massive new benefit that will actually cost average Americans less than what they pay today. The Democrats want middle-class taxpayers to believe they won't feel the pinch of this initiative, even as their employers are assessed massive new taxes. They might as well try to argue that up is down. The analysis of the Democrats' proposal by the Congressional Budget Office shows that it will not reduce government spending on health care, and that it will substantially increase the federal deficit—and this despite all the tax increases.

I served in the U.S. House with a majority of the current 435 representatives, and I am confident that if given the proper amount of legislative review, they will not accept the flawed Pelosi plan that is currently stuck in committee. Yet there is general agreement among Republicans and Democrats that we need health-care reform to bring costs down. This agreement can be the basis of a genuine, bipartisan reform, once the current over-reach by Mr. Obama and Mrs. Pelosi fails. Leaders of both parties can then come together behind health-care reform that stresses these seven principles:

\* **Consumer choice guided by transparency.** We need a system where individuals choose an integrated plan that adopts the best disease-management practices, as opposed to fragmented care. Pricing and outcomes data for all tests, treatments and procedures should be posted on the Internet. Portable electronic health-care records can reduce paperwork, duplication and errors, while also empowering consumers to seek the provider that best meets their needs.

\* **Aligned consumer interests.** Consumers should be financially invested in better health decisions through health-savings accounts, lower premiums and reduced cost sharing. If they seek care in cost-effective settings, comply with medical regimens, preventative care, and lifestyles that reduce the likelihood of chronic disease, they should share in the savings.

\* **Medical lawsuit reform.** The practice of defensive medicine costs an estimated \$100 billion-plus each year, according to the American Academy of Orthopaedic Surgeons, which used a study by economists Daniel P. Kessler and Mark B. McClellan. No health reform is serious about reducing costs unless it reduces the costs of frivolous lawsuits.

\* **Insurance reform.** Congress should establish simple guidelines to make policies more portable, with more coverage for pre-existing conditions. Reinsurance, high-risk pools, and other mechanisms can reduce the dangers of adverse risk selection and the incentive to avoid covering the sick. Individuals should also be able to keep insurance as they change jobs or states.

\* **Pooling for small businesses, the self-employed, and others.** All consumers should have equal opportunity to buy the lowest-cost, highest-quality insurance available. Individuals should benefit from the economies of scale currently available to those working for large employers. They should be free to purchase their health coverage without tax penalty through their employer, church, union, etc.

\* **Pay for performance, not activity.** Roughly 75% of health-care spending is for the care of chronic conditions such as heart disease, cancer and diabetes and there is little coordination of this care. We can save money and improve outcomes by using integrated networks of care with rigorous, transparent outcome measures emphasizing prevention and disease management.

\* **Refundable tax credits.** Low-income working Americans without health insurance should get help in buying private coverage through a refundable tax credit. This is preferable to building a separate, government-run health-care plan.

These steps would bring down health-care costs. They would not bankrupt our nation or increase taxes in the midst of a recession. They are achievable reforms with bipartisan consensus and public support. All they require is a willingness by the president to slow down and have an honest discussion with Americans about the real downstream consequences of his ideas. Let's start there.