

From *The Wall Street Journal*:

Republicans and ObamaCare

The sound of silence is deafening.

By Kimberly A. Strassel

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Listen. That sound of silence? That's what's known as the united Republican response to President Barack Obama's drive to socialize health care.

The president has a plan, and he's laid it on the table. The industry groups that once helped Republicans beat HillaryCare are today sitting at that table. Unions are mobilized. A liberal umbrella group, Health Care for American Now, is spending \$40 million to get a "public option," a new federal entitlement that would kill off private insurance. Democrats passed a budget blueprint that will allow them to cram through that "public option" with just 51 votes.

Republicans? They're trying to figure out what they think.

Well, not all of them. Earlier this week I ended up in the office of Oklahoma Sen. Tom Coburn, where the doctor was hosting North Carolina Sen. Richard Burr. The duo is, for the second time, crafting a comprehensive reform that would lower costs, cover the uninsured, and put Americans in control of their health care. And while the senators decline to talk GOP politics, their bill raises the multitrillion-dollar question: Will the party have the nerve or sense to coalesce behind some such conservative alternative to the Democratic product?

They'd better, because the days of Republicans winning these battles solely by spooking Americans are over. Phil Gramm, Harry and Louise might have scored with that approach in the 1990s, but the intervening years have brought spiraling costs and public unrest. Americans want a fix. Democrats promise one. The GOP can't tank the public option simply by complaining it will kill private insurance. The party has to finally elucidate how it plans to allow the private market to work.

Not that the senators don't think Republicans need to make clear to the country that the public option is, in Mr. Burr's words, "a fast track to a single-payer system." But they are also operating on the belief that Republicans must go beyond Band-Aid solutions to embrace, as Mr. Coburn puts it, a "complete transformation" of a system that is "structurally" flawed.

Their own bill overhauls the tax code, currently stacked in favor of corporate employees, to provide a tax credit to every American to purchase insurance. It expands health-savings accounts. It creates state health-insurance exchanges, where private insurers compete to cover Americans, including the uninsured. (This is partly modeled on the Medicare drug program, which has provided seniors with choice and held down costs.)

More broadly, it seeks to reorient financial incentives so that the system is no longer focused, as Mr. Coburn puts it, on "sick care," but on preventing the chronic diseases that eat 75% of health expenditures. These incentives would be used to lower costs and discourage insurers from cherry-picking patients. The bill also dives into Medicare and Medicaid reform.

Yet no small number of Senate Republicans are biding their time in Max Baucus land, waiting to see what the Democratic finance chairman produces as a "bipartisan" product. (Read: A bill the president wants.) This crowd has taken to heart Mr. Obama's accusation that they are the party of "no," and think it might be easier to be the party of Baucus, or the party of Baucus-lite, or the party of nothing whatsoever.

The White House is targeting folks like Chuck Grassley, Orrin Hatch and other Senate Republicans who back in 1997 voted for the State Children's Health Insurance Program, which was pitched by Democrats at the time as a modest program to help poor kids. It has, of course, become exactly what Democrats always intended it to be: a ballooning federal entitlement that is today transferring middle-class children from private insurance onto the federal rolls. This might be thought of as a teachable moment. But now Republican "moderates" are all ears for the administration's soothing suggestions that perhaps the "public option" can be "structured" so as to protect private insurance. Uh-huh.

Another group of Republicans are still going 50 rounds over taxes -- namely, whether a deduction isn't a more principled and cleaner way than credits to equalize the tax treatment of insurance. This is a legitimate debate, but one that should've been had 10 years ago when Republicans were in the majority. While the GOP fiddled, Democrats focused the argument on "uninsureds," which has made a tax deduction (which would only cover those who pay taxes) even less politically palatable.

Over in the House time runs on, as the Republican leadership and a health-care working group continue to noodle over platforms, policies, egos and timing. Democrats intend to be debating their bill by June.

As for Messrs. Coburn and Burr, they spent a good half hour with me enthusiastically explaining why a competitive market would improve health, provide control and choice, lower costs, and tackle entitlements. It's a good pitch. If only the rest of America could hear the party make it.