

WHOSE LIFE IS IT ANYWAY?

TOBACCO DEAL ADVANCES SOCIALIZED MEDICINE

by Sue Blevins

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Warning: Raising cigarette taxes to pay for Medicare and the State Children's Health Insurance Program (SCHIP) could lead to socialized medicine.

Many Americans seem to have forgotten that the original Clinton health care plan was going to use tobacco taxes to help fund a universal health care system. The President's Health Security Plan—which failed to get passed in 1994—proposed funding a new universal health system with 105 billion “sin tax” dollars.

Although the Clinton plan failed to get passed at the federal level, it didn't end there. Clinton health care task force documents—opened by court order—show that if they were unsuccessful in passing its universal style health care, they would switch to a “Kids First” approach. And that would be a major step toward phasing in the full Clinton-style health care plan. Indeed that strategy has worked and their “Kids First” back-up plan was recently enacted as part of the Balanced Budget Act of 1997.

Now they're trying to raise cigarette taxes to expand government health care programs for children—a major goal of their original plan.

Americans should be very wary of well-intended government health care programs for children. While nearly all Americans believe children should have access to health care, the majority believes the responsibility for providing that care rests with the children's parents—not the federal government. However, government health care programs for children could take

away that parental control, and hand it over to federal and/or state health insurance administrators.

How could that occur? Mainly through creating incentives for families and employers to drop private coverage, thus leaving middle-income families with no option but to join a government health insurance program. That's how supporters of socialized medicine got seniors into a single national health insurance system—the Medicare program.

Medicare indeed provides the model for how children could be forced into a single government health insurance program. Passed in 1965 to address the perceived high costs of medical care for retirees, Medicare Part A was to cover hospitalization; Part B, doctor visits. But with insurance given out “free,” within a few years most private employers and insurers cancelled their hospitalization policies with seniors and refused to write new ones. Retirees who preferred better policies they might have had were, in effect, forced into the government system. Insurance companies avoided the risks of actually insuring seniors but still made money administering the government insurance program.

Today Medicare Part A, covering hospital care, is mandatory when an individual applies for Social Security benefits. The Congressional Research Service reports that “Individuals entitled to (or who upon application would be entitled to) Part A (through their connection to the social security or railroad retire-

ment system) cannot reject their entitlement.” Meanwhile, Part B is considered voluntary but it is difficult, if not impossible, to find an insurance carrier to cover Medicare-eligible seniors.

Seniors thus find their choices of medical coverage limited. If doctors want to get paid, they must prescribe what the government defines as “medically necessary services,” even if they think alternatives would be better for particular patients. Retirees wishing to spend their own money for treatments they think best meet their needs probably will find no doctors willing to treat them. Last year Congress mandated that a doctor receiving any private money for a Medicare-covered service must drop all his or her Medicare patients for two years.

Raising tobacco taxes to pay for government-sponsored children's health care programs may seem like a noble goal. But there is no way the federal government can guarantee (nor should it) there will be enough smokers to pay for new children's programs. So in the end, everyone's taxes will have to be raised—not just the smokers'—to pay for these new health care programs. This certainly would advance socialized medicine.