

Insure Oklahoma additions may undermine coverage

Judging by the responses, now that Gov. Brad Henry has signed House Bill 2026 we can expect our uninsured to buy affordable coverage and no longer be uninsured. This house bill adds to the provisions of the state's Insure Oklahoma program for small employers and their employees in an effort to have more Oklahomans obtain insurance coverage.

If reducing the number of uninsured is simply a matter of offering simpler enrollment and stripped-down, rationed coverage, why didn't legislators do this before?

It's because people know a good deal when they see one, and benefit-rationing plans don't measure up. States that have implemented such plans have pulled them because of lack of interest or kept them on life support. Minnesota legislators even tried unsuccessfully to require insurance companies to offer the plans three years after no one entered the market.

Broad experience with benefit rationing has shown that these policies do not contribute to any substantial reduction of the uninsured. Instead, the fully insured often become underinsured.

The majority of consumers of bare-bones policies are small businesses who will downgrade plans to reduce costs, placing employees in greater risk of being underinsured. Only a small percentage of new consumers of these bare-bones policies are the uninsured — in Texas, 11 percent in 2006.

Because of the high cost sharing often required of enrollees, no lifetime ceilings on what they'll owe and skimpy coverage, many of those whom these plans target decide they're better off staying uninsured.

Proponents of benefit-rationing policies claim that mandates are a major contributor to the overall cost of health insurance. Yet hospitalizations, doctor visits and prescription drugs account for the bulk of all health-care costs. Mandates are not the driver for increasing health-care costs, especially not in Oklahoma.

Because many in the Legislature have declared war on anything that would hamper insurance companies' ability to conduct business as usual, they have overstated the savings from mandate reductions. Using cost estimates of Massachusetts' 26 mandates — 3 to 4 percent — removing mandates and the potentially valuable coverage they provide would reduce an average Oklahoma family's premiums by far less than the coverage they give up. Should someone in the family need a service that an insurer no longer has to offer, and won't under limited-benefit plans, the savings wouldn't go far.

Rather than opening a previously untapped, highly profitable market for insurance companies, policymakers should find a way to better pool risk and increase policy availability, which will bring down costs for all involved.

To ensure that Oklahoma consumers are treated fairly and protected, the state insurance commissioner must create transparent reporting and tracking of all purchases of limited-benefit policies. Only then will Oklahomans know their effects.

By continuing to allow health insurance companies to manipulate the marketplace and ignoring the real reasons for the uninsured in Oklahoma, we will not achieve lasting solutions. Haven't we learned anything from the massive trauma caused by AIG and other insurance companies and banks? Oversight is necessary, protective and benefits regulated businesses in the long run.

JEFF RAYMOND co-wrote this opinion piece with Wayne Rohde and Nancy Thomason, both Edmond residents, who are co-founders of Oklahomans for Healthcare Reform.



Jeff Raymond

Guest Opinion



How to win the war on poverty

Recently on my Twitter account I posted a link to an excellent *Washington Post* story detailing what it is like to live in poverty. A friend and fellow tweeter quickly replied by asking "And your solution to the poor would be...?" At first, I did not know how to respond. Knowing that numerous tomes have been produced on the subject, I doubted I could even answer within the 140 characters that a Twitter post allows.

As I continued to ponder the question I thought that maybe I should respond by advocating an expansion of education funding, or an increase in government anti-poverty programs. While both of these ideas have the potential to help families in poverty, even I was disappointed at the banality of my own thoughts. But then I realized the best answer did not involve either of these options.

The best answer to reducing poverty is "free markets."

Now, I know that these days free markets often are blamed for our economic ills (incorrectly so). It is, according to popular opinion and popularly elected officials, because of free markets that the banking system nearly collapsed, that the housing bubble inflated, and that millions of Americans have lost their jobs, their health care and their retirement savings. To most, it seems, free markets are the problem.

History teaches a different lesson, though. History clearly shows us that nothing has been better than free markets at lifting people out of poverty and improving the well-being of mankind. In other words, free markets are not the problem — they are the solution.

We must remember that 230 years ago the United States was a relatively poor nation. This was, after all, the place where people came to escape their troubled pasts, their oppressive governments and their hopeless conditions. This was the place that urged the world to

"Give me your tired, your poor, your huddled masses yearning to breathe free." Yet despite these humble beginnings, after a little more than 100 years the United States possessed the world's largest economy.

While the rest of the world had several thousand years head start on us, we surpassed them all in just a little more than a century.

What was responsible for this remarkable ascendancy? Was it a government that mandated higher wages? Was it a government that owned and operated businesses? Was it a government that provided health care for all? The answer of course to each of these questions is a resounding "No!" The reason the United States economy developed into the world's largest is because we relied, more than any nation previously in the history of the world, on free markets to organize our economy. Simply put, we let people buy what they wanted to buy, and sell what they wanted to sell.

As a result, today even our poorest citizens are relatively wealthy compared to our

counterparts throughout most of the world. According to the World Bank, half the countries of the world have an average income equivalent to what a part-time Wal-Mart employee in the U.S. makes. It turns out that our free markets were winning the war on poverty long before Lyndon Johnson's Great Society programs.

It is true that free markets generate an unending, unsettling upheaval. It is true that free markets inevitably cause industries to die, occupations to cease and skills to become outdated. But this is what gives us our progress.

It is natural in such turbulent times for us to turn to someone or something to save us. The proper role of the government, though, is more like a referee than a parent. The government is there not to pick us up when the game goes against us, but to ensure the game itself is fair.

In just a few weeks the government once again will mandate that businesses pay higher minimum wages, it already has taken a majority ownership of General Motors, and is now considering allowing Americans to buy health insurance from a government-run plan. All of this will be done with the stated intention of helping struggling families.

Yet if we were to truly learn the economic lessons from history and from today, we would recognize that the best way to lift our families up is not for us to have more government interference in markets, but less. If we really want to win the war on poverty, then let us have free markets.

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TODAY'S VERSE

A SELECTION

'Trust in the Lord

with all your heart, and

do not lean on your own

understanding.'

Proverbs 3:5