

Healing America

A Better Health Care System Can Cure the Country's Ills

Health care is bringing our nation to its knees. It is strangling industry, sending American jobs overseas, breaking the budget, and failing the health needs of the population.

America spends more on health care than any other industrial nation. A recent Cato Institute Policy Analysis suggests that health care services *regulation* alone exceeds \$339 billion annually. The per capita share of total health expenditures for 2004 is projected to be \$6,167. The average family's share would be more than \$20,000 a year.

America Needs Comprehensive Health Care Reform

Health care bureaucracy has eroded the bedrock principle of our success as a nation—the right of individuals to contract freely with each other. It has undermined physicians' ability to manage patient care, regulated their fees, and forced them to ration time spent on their patients. It has alienated, enraged, and frustrated patients, who often wait weeks for an appointment, and then hours in the waiting room, for care that may last only a few minutes.

According to a Commonwealth Fund survey, 62 percent of Americans would be willing to roll back all of President Bush's tax cuts to help provide health insurance for every American. But covering everyone would simply make a bad system universal. Indeed, in an October 3rd editorial comparing the Bush and Kerry health plans, this newspaper concluded that

both only "tinker at the edges of the current system, rather than seeking a broad, nation-shaking change."

THE MEDICAL TAX REBATE

The Institute for SocioEconomic Studies has a "broad, nation-shaking" plan to contain spiraling medical costs. It provides universal coverage, restores the doctor-patient relationship, removes the health care burden on industry—and more.

Our plan would create a Medical Tax Bonus (MTB) for all Americans. The MTB would be tax-free if used for health expenditures, including prescription drugs. Should the full amount of the MTB be exhausted, additional medical expenses would be covered by the government. Funding would come from ending wasteful federal programs, eliminating tax preferences for employee health care, and dismantling bureaucracies.

The MTB will return basic health responsibility to the individual, restoring the incentive-based free enterprise system on which our nation was founded. Minimizing the role of third party payers will free individuals and their doctors to concentrate on the best medical care. Retaining the best features of traditional insurance—freedom of choice and protection against the devastating costs of catastrophic illness—will encourage individuals to lead healthy lives and better allocate their health care spending.

These are big changes, but nothing less than "broad, nation-shaking change" can turn the health care system around and get America moving in the right direction again.

We welcome your questions, thoughts, and opinions

Leonard Greene
President

ISES
Institute for SocioEconomic Studies

www.socioeconomic.org

10 New King Street
White Plains, New York
10604-1204

The Institute for SocioEconomic Studies is a private operating foundation that examines issues relating to economic development, poverty, health care reform, and the quality of life.