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What We Spend on Health Care Is None of the Government's Business **by Sheldon Richman**

“Preventive care” is one of the magic formulas often invoked in discussions of so-called health-care reform. Don’t worry about the apparent costs of reform, we’re told, because we’re going to save a ton of money with — fanfare — preventive care.

To listen to this promise, you’d think no one would get sick if the government created the right incentives to avoid disease.

John Goodman, who, as president of the National Center for Policy Analysis, understands health-care economics better than most, points out that there are “literally hundreds of studies from over the past 40 years that show preventive medical services usually increase medical spending. For instance, a review of nearly 600 studies published between 2000 and 2005 found that fewer than 20% of preventive services ... were cost saving — 80% actually increased the total costs of care.”

Preventive care costs money in itself. And being spared from one disease could let you live long enough to contract something more costly. There’s no guarantee that money will be saved.

That doesn’t mean people shouldn’t look after their health, and in a free market some lifestyles would net lower insurance premiums than others. But prevention is no solution to high costs, and it won’t bail us out of the expensive plans they’re cooking up on Capitol Hill.

Do we really want government meddling in our lives this way?

Under various reform ideas being tossed around, the government would determine what is and what is not an acceptable insurance policy. If you have an unacceptable one, you’ll be fined by the IRS. The House bill is vague on what would become of existing policies. It seems to grandfather them in, but any change would require compliance with the new standards. So the aim is to push everyone into a one-size-fits-all policy, regardless of your health or the hardness of your stock. Part of this standard, universal policy would be various “incentives” related to prevention that would determine how doctors are reimbursed for their services.

So, in the name of preventing disease, government will make many decisions for us about medical care and health insurance. How else will the politicians and boards of experts tilt the system in the direction they want?

But that's not all. We can expect intensified campaigns against "unhealthy lifestyles." If you think government has already gone too far in this direction, you ain't seen nothing yet. Get ready for the super-stigmatizing of those who smoke, drink, or overeat.

The impetus for this new round of social control is the need to control health-care costs. The government has decided we spend too much on medical services. Its professed concern would be more persuasive if it proposed to undertake an audit of all the ways *it* makes those services artificially expensive. The list is long — on the supply side: licensing, patents, accreditation, certificate-of-need rules, FDA requirements, and more; on the demand side: Medicare, Medicaid, and a tax system that rewards employer-based first-dollar insurance coverage.

But government does not accept the blame for how much we spend. On the contrary, everyone *but* the government gets the blame — because it's government that is going to save us.

If all the "reformers" wanted to do was lower the country's overall medical bill, they'd end these government interventions. But that's not what they want to do.

Someone should ask President Obama at his next news conference, "Why do you care how much we spend as a society on our health?" He'd probably say what he said at his last news conference: "[T]he biggest driving force behind our federal deficit is the skyrocketing cost of Medicare and Medicaid." An enterprising reporter would then follow up with, "But that's a collective problem only because Medicare and Medicaid are tax-financed government programs. So instead of controlling spending, isn't the solution to *privatize* it and leave people alone?"

Indeed it is. It's no business of the government's how much you and I spend on medical care. The reason we have these problems is that government made medical care its business long ago. The laws of economics avenge themselves. Now we can have government rationing and regimentation. Or we can have freedom and market-based medical care.

We don't need reform. We need repeal.

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