



VIEWPOINT

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The Folly of Expanding Government Health Care

By Marc Kilmer

At both the state and federal level, expanding government health care programs is in vogue. President Obama is doing it and Governor Strickland is trying to do it. While this government action may sound good and earn plaudits from the press, in reality it is expensive and unnecessary. But when did those things ever stop politicians from acting?

January saw action in Congress to expand the federal Children's Health Insurance Program (CHIP). Originally designed to help the working poor, the reauthorization that sailed through Congress removed any income limits and encourages coverage for adults. In addition, the so-called "stimulus bill" passed by the House of Representatives allows laid-off workers to access Medicaid, another government health care program, regardless of income.

A Republican effort to put a \$1 million income limit on coverage was pulled from the bill. Soon your tax dollars could be paying for Medicaid for millionaires.

In Ohio, Governor Strickland's State of the State address he proclaims that soon health care will be available to every Ohio child. He doesn't mean private coverage; he's talking about expanding government care. He also wants to impose more government regulation on health insurance sold in the state.

These activities in Congress and at the state level (Ohio is not alone in pursuing a larger Medicaid program and more regulation of health insurance) are meant to address the fear many feel about losing health insurance and receiving quality health care. These proposals are well-intentioned steps to solve serious problems. It's just that they are misguided and ineffective.

As the proposals to expand SCHIP and similar coverage in Ohio indicate, much of the focus is on providing coverage for children. President Obama, Governor Strickland, and other

politicians claim their new programs are necessary to help the uninsured children. The fact is, though, that poor (and not-so-poor) children already have access to government health care programs. However, many families choose not to use these programs. Among those eligible in Ohio, over 13% of children are not signed up for the state's children's health insurance program. The story is similar in all other states.

Much of the problem of uninsured children could be solved by simply getting those eligible signed up for coverage. Instead, politicians like Governor Strickland want to expand coverage to those with higher incomes. Children in families with higher incomes not only have a lower uninsured rate than children who are already eligible for the program, their parents are more likely to be able to afford private coverage.

In fact, estimates indicate that many -- if not most -- of the children in families with higher incomes who would enroll in state health care programs would otherwise have private insurance. Up to 60% of new enrollees would be covered by private insurance if there were no state program.

Providing Medicaid and other health care coverage to Ohioans consumes around 40% of the state budget. The cost rises during recessions, which will put a further strain on a budget already experiencing a shortfall of billions of dollars. At the federal level, of course, deficits are routinely ignored, but the rising cost of entitlement programs like Medicaid does not bode well for our future. In short, these health care programs being touted by the President and governor are, if not unaffordable today, certainly unaffordable in the future.

While there are real problems involving access to health care, politicians do not do children or taxpayers any favors by recklessly expanding government health care programs. It may be an easy answer to perceived problems, but it is short-sighted and only avoids dealing with the fundamental issues that need to be addressed soon.