



VIEWPOINT

ON PUBLIC ISSUES

May 27, 2008 • No. 120 • ISSN 1936-1491



Government should avoid health insurance mandates.

Mandating Insurance Not the Answer

By Marc Kilmer

Should the state government force you to buy something just because you live within the borders of Ohio? Most people would be opposed to such an intrusive government mandate, and you have yet to find the Ohio government attempting this. That could all change, however, if the Healthcare Coverage Initiative Advisory Group gets its way. They want to force you to buy health insurance and punish you if you do not. But this heavy-handed government mandate is not workable and will not address our health care problems.

The idea to mandate health insurance coverage seems to be in vogue. Governor Mitt Romney of Massachusetts enacted one before he ran for president and Hillary Clinton has made it the centerpiece of her health care plan. Governor Strickland's health care advisory group is getting in the act, too. While it has not released its final report, there are indications that they are set to recommend that the state mandate that all Ohioans have some form of health insurance.

This individual mandate, as it is known, has little precedent. It is currently being tried in Massachusetts, although not everyone in the state is covered by the law. If it is enacted in Ohio it would be the first time the government forces individuals to purchase a specific product if they want to live in the state.

Contrary to the impression left by media coverage, many people choose to go without insurance. They can afford it but they choose not to buy it. An individual mandate is meant to address this fact. However, there is little evidence that these people impose a significant cost on the health care system. Many of these people are young and healthy and consume very little health care, for instance. The mandate is trying to solve a problem that does not exist.

Furthermore, it is virtually unenforceable. In Massachusetts the mandate works by forcing residents to declare their insured status on their tax forms. But this overlooks one key problem: who will actually check to see if this information is correct? The resources required to verify the insurance status of every tax filer every year would be enormous. And what about state residents who do not file taxes?

Another problem with this mandate is that for many people insurance is unaffordable. State and federal regulations drive up the cost of insurance for many, and for others they simply do not make enough money to buy it. Supporters note that an individual mandate would have to be accompanied by subsidies for lower-income residents or expanded Medicaid, but as Massachusetts residents are discovering, there will always be a group that makes too much money for subsidies or Medicaid but too little to afford

insurance. The supposed universal mandate in that state was adjusted to reflect this reality – one-fifth of the uninsured in that state were exempted from it.

Although the panel he empowered seems to be leaning towards recommending this mandate, Governor Strickland realizes that it has some serious flaws. Or, at least he realized it in 2006. His opponent for Governor, Ken Blackwell, proposed such a mandate and was vigorously attacked by Strickland for doing so. As the Columbus Dispatch reported during the election, "Strickland argues that Blackwell's plan would use the 'heavy hand of government' to impose a mandate on businesses and individuals that they might not be able to afford."

Governor Strickland was right about a mandate in 2006. I hope he continues to see its flaws today. Instead of more government control over our health care, Ohio should be looking to states like Florida and Georgia. These states have recently enacted legislation that reduces government interferences, lowers the price of insurance, and gives health care consumers more options.

It is unfortunate that the Governor's task force sees the way to address Ohio's health care problems as taking away more freedom from Ohioans instead of giving them more options. A health insurance mandate will not solve any health care problems faced by the average Ohioan. The answer to our problems lies in more freedom for consumers, not in more mandates by the government.

Viewpoint commentaries are provided for reprint in newspapers and other publications. Authors are available for print or broadcast interviews. Electronic text is available at www.buckeyeinstitute.org.

Please contact:
Carlo LoParo
88 East Broad Street, Ste. 1120
Columbus, Ohio 43215

Phone: (614) 224-4422
Fax: (614) 224-4644
cloparo@buckeyeinstitute.org