

Health Care and Public Policy

for the Confused, Concerned, and Curious

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A NOTE ON CITATIONS

All footnotes contain only the author and title of the work cited. The complete citations are listed at the end of this book.

Introduction

One of the most controversial topics in American politics is health care. The health care legislation passed by a Democratic Congress and signed into law by President Obama in March of 2010 attracted large amounts of attention, praise, and criticism by the media, concerned citizens, activists, and special interest groups of all kinds.

The legislation is actually two laws passed in quick succession: the Patient Protection and Affordable Care Act, and the Health Care & Education Reconciliation Act. The whole package is often called “health care reform” or “Obamacare”, but in this book we’ll call it the Affordable Care Act, or ACA for short.

It is now over two years after the ACA’s passage, and the battle is still red-hot. Supporters of the ACA – mainly Democrats - are struggling to implement the legislation’s provisions. Opponents of the ACA – mainly Republicans - tried to have the ACA ruled unconstitutional, but the Supreme Court mostly rejected their arguments in June 2012. Opponents of the law still have many opportunities to thwart it, such as repealing all or part of the ACA in Congress, underfunding it, selectively enforcing its provisions, or bringing more court challenges.

Although the ACA is already law, many of its provisions have not gone into effect yet; the law specifies a timetable at which various things start happening. As we’ll see, many of the ACA’s most important parts start in 2014. Thus, whoever is in power in 2014 will have tremendous influence over the ACA’s success or failure. This adds even more importance to the upcoming elections in November 2012; not only the White House but Congress, state legislatures, and governors’ mansions are at stake, and all of these positions have power over the ACA’s implementation.

Many people think – perhaps correctly – that the most fundamental values of America are at stake in the battle over health care. Former Speaker of the House Nancy Pelosi, a

Democrat who led the fight for the ACA, said that the ACA was about

“a healthier life, the liberty to pursue happiness free of the constraints that lack of health care might provide to families ... under the Affordable Care Act, you have that ability – that liberty to pursue your happiness.”¹

Meanwhile, former Alaska governor and vice presidential candidate Sarah Palin said the ACA is

“the most brazen and sweeping new tax and government overreach imposed on us...It’s time, again, for patriotic Americans to rise up to protest this obvious infringement on our economic and personal freedom.”²

This book is for people who want to understand what the controversy is all about. We’ll take a look at how America’s health care system currently works, and how the system will change when the ACA’s major provisions take effect in 2014. We’ll look at why some people think the ACA is a great law and others think it’s horrible, and why some people think it’s a good start that needs some improvement.

This book is primarily about **public policy** - which means “whatever the government chooses to do or not to do.”³ But we’ll also discuss **political philosophies** such as liberalism and conservatism. Your political philosophy is your set of views about how society should be organized and what the government’s role should be. When someone is giving reasons for supporting or opposing a public policy, they may talk about what they expect the policy to do (“Economic analysis shows that this policy will

¹ Jennifer Haberkorn, “Nancy Pelosi: Health law represents ‘life, liberty and the pursuit of happiness’”

² Sarah Palin’s Facebook page.

³ Dye. Understanding Public Policy, 2.

increase the number of Americans with insurance by ten percent.”) or they may base it on a political philosophy (“This policy is based on the idea that ordinary people should make their own health care decisions, not bureaucrats in Washington.”) There is merit to both kinds of arguments, and often the two are intertwined. In this book, we’ll look at both types.

Furthermore, you can’t fully understand the health care policy debate without looking at taxes, budgeting, debts, and deficits, so we’ll also examine the federal government’s financial picture. The federal budget is often thought of as a boring spreadsheet full of large numbers, but it is also an expression of our – that is, American citizens’ – values and priorities, as expressed (imperfectly) through our democracy and governing processes.

When writing this book, one of my goals was to make health care and public policy as fun and easy to understand as possible. For this reason, I decided to write much of the book as a play. The characters in the play argue, discuss, and ask questions.⁴ The characters have different ideological viewpoints and different roles in the health care system; my hope is that this approach will allow the reader to see the health care debate from a fresh perspective.

And of course, when writing this book I brought my own perspective. Though I try to fairly present as many sides of the health care debate as possible, I certainly don’t pretend to think that all the sides are equally correct. I think that having access to decent health care should be considered a basic human right. Sometimes free markets do a better job of providing human rights than government intervention can; however, this is not the case with health care, for reasons that will be discussed in this book. There are many ways for the government to try to correct the failures of the health care market, some better than others. The ACA, in my view, is an imperfect but reasonable improvement over what existed before, but its success is far from certain. The

⁴ The format of this book was inspired by Stephen Law’s [The Philosophy Gym](#).

ACA contains many complicated provisions which must be enforced properly and many flaws which must be corrected. Thus, getting the law running successfully will be quite a challenge, especially since opponents of the law are determined to repeal it or otherwise block its implementation.

That's my view, in a nutshell. Whether you agree, disagree, or are still making up your mind, I hope reading this book will help improve your understanding of health care and public policy as much as writing it did for me.

Chapter One:

The Boss Visits His Employee in the Hospital

The year is 2012, two years before many of the parts of the ACA are scheduled to take effect. Peter Donaldson walks into a hospital in order to visit Ned Johnson, the hardest-working employee at his small hardware store for the last eight years. Ned was recently hospitalized due to a gall bladder condition.

But now Peter is beginning to feel sick himself. Peter has long known that the health insurance he buys for his workers is inadequate, because it forces his employees to pay high deductibles before the insurance covers needed care. If Ned could have afforded to follow his doctor's recommendation to have his gall bladder removed, perhaps Ned would not have had to be rushed to the emergency room.⁵

Peter wonders if Ned will blame him. He shudders as he imagines what the hospital room encounter will be like. He gets on the elevator and pushes the button for the sixteenth floor. As the elevator ascends, he begins to daydream...

Music plays as a daydream sequence begins. Peter is in Ned's hospital room. Ned lies on his bed, his face sickly and pale. But his voice is strong, and his eyes are flashing with anger.

⁵ Ned's medical condition – but not his personality, occupation, or biography – is based on Heather Orozco from Nashville, TN, who had insurance through her husband's job at a mortgage company. The insurance had an \$800 per month premium, a \$1500 per person deductible, and paid "80 percent of most diagnostic tests and surgical procedures." Heather's doctor "recommended that she have surgery to remove her gall bladder, and [her husband] needed expensive medications [for his asthma and Crohn's disease], with the possibility of surgery looming in his path, too. Even with their insurance, the cost of their care was more than they could handle...Heather got no treatment for her gall bladder condition, which frequently woke her up in the night with severe nausea...More than once when her condition deteriorated to the point that she could no longer ignore it, she wound up in a hospital emergency room." Davidson, Still Broken: Understanding the U.S. Health Care System, 24-25.

Ned: Donaldson, you scoundrel. For years, I was your faithful worker. You knew I needed surgery; you knew that I couldn't afford it with the wages and benefits you paid me. Didn't you used to say the whole hardware store was like family to you? Well, thanks a lot, bro!

Peter: (*hiding his nervousness*) Ned, I'm so sorry this happened. But let's think rationally. You know our little hardware store never made much money. If I could give you higher wages or better health benefits, I would. But if I spent that much money, we would have been driven out of business by a store that wasn't so generous. So it wouldn't have done any good.

Ned: Mr. Donaldson, a few years ago you bought yourself a new house. Surely some of that money could have gone instead to my health care, considering how much of it was earned with my sweat!

Peter: Ned, come on. I needed-

Ned: (*interrupting*) With the number of hours I worked, there was no way I could take a second job, without becoming a total stranger to my *real* family. I was literally dependent on you for survival. But you needed a new house!

Peter was not sure what to say. He had emigrated to America as a young man, and worked hard to start his hardware store. The store really didn't make a lot of money, but Peter had saved every penny in order to buy a house for his family. Peter considered the purchase of the house his fulfillment of the American dream. But to Ned, a renter with inadequate health care, the purchase of the house seemed like an unnecessary luxury.

Peter: I worked hard for that house. And if someone had told me that I couldn't use the earnings from the hardware store to buy a new house, I probably would never have started it.

Ned: Well, you did start it! And that comes with obligat...

Suddenly, his voice becomes gentler.

Ned: I know that house means a lot to you. But buying insurance on my own would be insanely expensive. That's how the system works.

For reasons we'll get to soon, U.S. public policy today is structured in such a way that, for many people who don't qualify for government programs, it is extremely difficult to get quality, affordable health insurance unless their employer (or a family member's employer) buys it for them. The major government programs are **Medicare** (which benefits people 65 and over, and some disabled people), **Medicaid** (which benefits some low-income people, but also pays for long-term care for some middle-income people), and **insurance coverage for the military and veterans**. Thus, most non-elderly Americans depend on an employer for health insurance.

Many employers make it a point to provide decent coverage for their workers, either because they think it is profitable to keep their workers happy and healthy, or because they genuinely care about the welfare of their workers, or both. But businesses also strive to maximize profit and must often cut costs in order to survive. Employers may prioritize the bottom line over the health of their workers. Peter Donaldson, as we saw, feared that his hardware store would go out of business if employee health care costs were too high. And if that happened, he as well as his workers would lose their jobs!

Peter: You see, Ned, it is the whole system that is the problem. Generous employers who want to help their employees just get overrun by employers who are more "efficient." What we need is a system where what kind of health care you get isn't dependent on what kind of job you have or who your employer is. It shouldn't even matter if you have a job.

Peter suddenly awakens from his daydream as the elevator reaches the sixteenth floor.

Chapter Two: What's Wrong With Our Health Care System?

The fact that someone's insurance status is often dependent on their employment status is just one of many problems that critics see in our health care system. Here are some of the most commonly discussed problems:

Large, Growing Numbers of Uninsured

In 2003, journalist Matt Miller wrote of 42 million Americans without health insurance. He wrote,

"More than four in five uninsured Americans work year-round, or live in families headed by such workers. These waitresses, taxi drivers, and retail clerks earn too much to be eligible for Medicaid, but too little to buy coverage in the notoriously high-priced market for individual policies (or to afford their share of the premium if their employer offers coverage). They get preventable diseases and avoidably hospitalized more often than the insured, and are vulnerable to bankruptcy from illness in ways unthinkable in other rich countries."⁶

But as Miller acknowledges, the story of who is uninsured and why is fairly complicated. Some people go without insurance only briefly, and some of the uninsured are young people who can afford insurance but voluntarily go without. In 2005, three scholars at the Hoover Institute and the American Enterprise Institute - Cogan, Hubbard, and Kessler - estimated that about a third of the uninsured were low-income people who could qualify for government programs but didn't sign up (because they didn't want to or didn't know how); another third was poor but couldn't qualify for public help; the last third had incomes over \$50,000.⁷

⁶ Miller, The Two Percent Solution, 92-93.

⁷ Cogan, Hubbard, and Kessler. Healthy, Wealthy, and Wise. 20-21

Lacking insurance is a much more common among low-income people than among higher-income people. According to the Census Bureau, in 2010, 26.9% of those with a family income under \$25,000 didn't have insurance, compared to 21.8% of those between \$25 and \$50 thousand, 15.4% between \$50 and \$75 thousand, and 8.0% for those at \$75 thousand or above.⁸

The Census Bureau has also found that the number of people without insurance is growing **from under 38 million in 1999 (13.6% of population) to almost 50 million in 2010 (16.3%)**. Among non-Hispanic whites, the uninsured has gone from 9.4% in 2002 to 11.7% in 2010. Among blacks, the uninsured rate has increased from 18.8% in 2002 to 20.8% in 2010. Among Hispanics, it went slightly down from 31.9% in 1999 to 30.7% in 2009, and for Asians it increased from 17.0% in 2002 to 18.1% in 2010. Among all four groups during these time periods, **private insurance coverage has decreased** while the percentage of the population covered by public programs has increased.⁹

⁸ U.S. Census Bureau. "People Without Health Insurance Coverage by Selected Characteristics: 2009 and 2010". [Table 8]

⁹ U.S. Census Bureau. "Health Insurance Coverage Status and Type of Coverage--All Persons by Sex, Race and Hispanic Origin: 1999 to 2010" [Historical Table 1] The year-ranges I use are the ones that were available on the census website. The categories of non-Hispanic white, black, and Asian do not include mixed-race people. Thus, a person with one white parent and one black parent would not have been counted in the totals for either whites or blacks. However, the Hispanic category includes any Hispanic person of any race.

According to the Center for Immigration Studies, "64 percent of illegal immigrants were uninsured in 2006, accounting for one out of seven people without insurance. If the U.S.-born children (under 18) of illegal immigrants are included, they account for one out of six people without insurance. Among legal immigrants (non-citizens), 27 percent were uninsured in 2006." Camarota, Steven A. "Facts on Immigration and Health Insurance."

Health Care and Health

Many analysts believe that by leaving millions of Americans without health insurance, our system has a negative impact on our health. Katherine Swartz writes that

“A recent study conducted by the American Cancer Society shows that uninsured people are significantly less likely to get screened for cancer, more likely to be diagnosed with an advanced stage of the disease, and less likely to survive that diagnosis than their privately insured counterparts. A similar study of people with diabetes [found that] many of the uninsured diabetics interviewed for the study had serious medical complications that likely would not have occurred had they been covered by insurance.”¹⁰

Thus, health insurance, by improving access to medical care, can lead to improved health and longer life. But it’s also worth noting that many things besides medical care affect your health.

First, **your lifestyle** sometimes has a much bigger effect on your health than what kind of medical care you receive. Eating a healthy diet, exercising regularly, getting enough sleep, minimizing emotional stress, consuming alcohol and drugs moderately, not smoking, avoiding risky sexual activity, and forming strong social relationships are all associated with good health. Studies have found that being married, having a high income, and being well-educated all improve health and longevity.¹¹

Second, **the government affects your health** in many ways, and not just by affecting your access to medical care nor by affecting the lifestyle factors listed above. Policies toward air and water quality, crime, terrorism, war, food safety, workplace safety, homelessness and housing quality, drunk driving, and monitoring

¹⁰ Swartz, “Uninsured in America: New Realities, New Risks”, 34.

¹¹ For a discussion of how these factors relate to health, see Blank and Burau, Comparative Health Policy, 63-67.

the spread of diseases are all areas where government can improve (or harm) the public health.¹²

And even when medical care is very effective, **the most effective practices are often not the expensive new technologies and surgery** which are often the focus of health care policy discussions. Robert Blank and Viola Burau, who wrote a textbook comparing the health policies of the United States and nine other countries with advanced economies, write that

“The biggest advances in human health and longevity in the 20th century were the result of improved hygiene and clean water supplies, vaccines to prevent viral infections and antibiotics to combat bacterial infections....¹³

Medical care has a limited health effect, estimated to account for 10 to 15 percent among the determinants of a nation’s health... Although about half the decline of deaths from coronary heart disease are attributable to [prevention] and half to evidence-based medicine...since the proportion spent on medicine is about 30 times that of [non-medical means of promoting health], clearly the latter is a far more efficient health strategy.”¹⁴

Blank and Burau aren’t suggesting that health insurance and access to medical technology is unimportant. “10 to 15 percent among the determinants of a nation’s health” is still pretty high, and that percentage could change as health technology improves.

Furthermore, the choice to pursue expensive health care options is often perfectly rational for an individual suffering from injury or a disease, and these individual rational choices often lead to financial problems for individuals, families, businesses, and governments, as will be discussed below. So, although improving access to health care might not cause health and longevity statistics

¹² Blank and Burau, Comparative Health Policy, 196-235. Sometimes, when it’s feared that a dangerous disease may spread, governments take steps such as food regulations, travel bans, or quarantining (voluntarily or involuntarily) those suspected of having infectious diseases.

¹³ Blank and Burau, Comparative Health Policy, 196

¹⁴ Blank and Burau, Comparative Health Policy, 233.

to jump off the charts, it is a significant concern for anyone interested in either the health of the American economy or the American people.

Increased Costs, Spending, and Financial Insecurity

According to a report by the Kaiser Family Foundation, “The share of economic activity (gross domestic product, or GDP) devoted to health care has increased from 7.2 percent in 1970 to 16.2 percent in 2007.” (Of that total amount spent on health care in 2007, 46% was from public programs.)¹⁵ Katherine Swartz, a professor of health economics and policy at Harvard, says,

“Two types of health care spending are driving the overall growth in spending. One type includes expensive but not super-high cost diagnostic, surgical, and pharmaceutical services that are no longer considered high risk so many people are taking advantage of them, especially because insurance covers their costs. Hip replacements and chemotherapies for some cancers are examples of this driver of health care spending. The other type consists of very new and very expensive diagnostic and treatment options for cancers, chronic conditions, and acute traumas. New radiological scanning devices and new forms of radiation surgery such as the CyberKnife® are examples of the technical innovations that are capable of saving some people’s lives. However, they are enormously expensive – and the money spent on such machines, as well as the teams of people needed to manage them, is money that cannot be used for other purposes.”¹⁶

As we’ll see, many other analysts and journalists have written about factors contributing to the growth in health care spending. For now, let’s consider why the growth in spending is considered a problem by most analysts. Part of the problem is that the increased spending often isn’t accompanied by better health, as

¹⁵ Kaiser Family Foundation. “Health Care Costs: A Primer.”

¹⁶ Swartz, “Uninsured in America: New Realities, New Risks”, 55-56.

discussed elsewhere in this chapter. Another reason is that all the spending on health care makes health insurance more expensive (which increases the number of uninsured people) and makes it more expensive for people to buy health care **out-of-pocket**. (Paying for something “out-of-pocket” means paying for it directly, instead of having an insurer pay for it.)

Though the rising spending hurts the uninsured in at least two ways (making insurance more expensive, and making purchases without insurance more expensive), it also leaves many Americans *with insurance* in dire financial straits, just when their health (or a relative’s health) is failing and they could use a break. Journalist Jonathan Cohn collected many of these sad stories in his book *Sick*; one example is the story of Elizabeth Hilsabeck, who ended up having to sacrifice her house to pay for physical therapy for her disabled son. (Her HMO refused to cover it.)¹⁷

A study by Deborah Thorne and Elizabeth Warren tried to quantify the problem by looking at the relationship between medical problems and bankruptcies. There are usually between 1 and 1.5 million non-business bankruptcies in a given year, and about half are related to medical problems, either of the filer or a filer’s relative, they found. For more than three quarters of the families in their study, the ill or injured person had insurance at the time they became ill or injured.

“The combination of co-pays, insurance limits, and coverage exclusions left even those with comprehensive health insurance responsible for thousands of dollars in expenses. Moreover, during the course of a serious illness, some families saw their health insurance canceled or coverage denied, leaving them without protection at the exact moment when they were most vulnerable.”¹⁸

However, Thorne and Warren emphasize that high medical bills aren’t the only cause of bankruptcies relating to medical problems. Many of the medical bankruptcy filers they surveyed

¹⁷ Cohn, Jonathan. *Sick*, 55-85.

¹⁸ Thorne and Warren. “Get Sick, Go Broke”, 73.

said that income loss contributed at least somewhat to their bankruptcy. Income loss can occur when someone is unable to work because they are too sick or injured, or because they have to care for someone else.¹⁹

A Costly Burden on Government

Increasing medical costs and spending hurt not only individuals but also governments. Though there is some disagreement about how urgent the problem is, nearly all experts agree that at some point our **growing national debt** is going to cause big problems. A large part of the debt problem is related to health care, because the American government spends a lot on health programs such as Medicare and Medicaid. The fast rising costs of these programs threaten to force us to **crowd out other priorities** such as spending on roads, education, or the military. Or, they could drive our government to the **verge of bankruptcy** and threaten our long-term economic stability.

Even if we don't go bankrupt, rising health care costs could force the government to borrow more and more money. The more money our government borrows, the higher interest rates (which, roughly speaking, are the price of borrowing money) will rise, and **the harder it will be for students, homebuyers, and entrepreneurs to borrow money**. The higher interest rates get, the less worthwhile it will seem to borrow money to go to school, buy a house, or start or expand a business. Thus, excessive medical spending could slow down economic growth and lead to unemployment.

We'll look more at this topic in Chapter Twelve.

¹⁹ Thorne and Warren. "Get Sick, Go Broke", 72-73. They say that eight in ten of the medical filers they surveyed said income loss at least somewhat contributed to the bankruptcy, but in footnote #26 they express doubt that their survey sample is representative of the population as a whole.

Medical Errors and Quality of Care

Analysts have also expressed concern over whether the American medical system is ensuring that patients are getting high-quality care. This means the right care, performed correctly, at the right time, and no more care than is necessary. Cogan, Hubbard, and Kessler have found that though innovations in fighting cardiac problems and depression initially led to great health advances, they are now frequently used in cases where they hardly cause any benefit compared to doing nothing; they also note that medical errors are the leading cause of accidental death in the United States.²⁰

Other scholars have compared the United States to other countries (Australia, Canada, New Zealand, England) and found that, regarding quality of care, the United States doesn't stand out as better or worse.

"In the United States, breast cancer survival rates were relatively high, as were cervical cancer screening rates. At the same time, asthma mortality rates were increasing in the United States while decreasing in the other countries, and transplant survival rates were low."

Another study found that the United States did poorly regarding chronic care management; virtually all experts agree that the United States – which spends way more on health care per person than any other country – gets worse results *per dollar spent*.²¹

Problems with an Employment-Based System

A final issue is that - with a few exceptions,²² most policy experts agree with our fictional Peter Donaldson that the

²⁰ Cogan, Hubbard, and Kessler. *Healthy, Wealthy, and Wise*, 15, 23.

²¹ McGlynn, Meltzer and Hacker. "Just How Good *Is* American Medical Care?" 96-97.

²² For a defense of employment-based health care, see Glied, Sherry A. "The

employment-based nature of our health care system is problematic.²³ As Peter said, it **saddles businesses with a large financial burden that hinders their ability to compete** with other firms (This can be especially important when American firms compete with international ones that don't have to worry about health care, either because they live in a country where employees don't expect to have health insurance or because the government handles most or all of the cost.) Another flaw with our employment-based health system is that some people – such as the unemployed and those employed at firms that don't offer health care plans - **go without insurance**. Still another is that people who would otherwise switch jobs or start their own businesses may **stay put in their current job** only because that job provides the most health security.²⁴

Despite near-universal agreement among experts that an ideal system wouldn't be employment-based, many politicians say they don't want to disturb the current system too much, perhaps because they do not want to upset voters who are relatively satisfied with the current arrangement, or those that fear that a new arrangement would be worse. In August of 2008, Obama said,

“If I were designing a system from scratch, I would probably go ahead with a single-payer system [in which the government pays for health care instead of private insurance companies]... my attitude is let's build up the system we got.”²⁵

Employer-Based Health Insurance System: Mistake or Cornerstone?”

²³ Most analysts think employment-based health care is seriously problematic. For one example, see Paul Krugman and Robin Wells, “The Health Care Crisis and What to Do About It.”

²⁴ Matt Yglesias, “Universal Health Insurance Boosts Entrepreneurship”.

²⁵ Amy Choizick, “Obama Touts Single-Payer System for Health Care”. See also Alec MacGillis “The Insured: It's Status Quo for Now”, 101. MacGillis discusses how the ACA allows people to maintain their employer-based coverage while setting “in motion a shift away from employer-based coverage. But it will be a gradual one.”

Chapter Three: An Ideological Talk at Lunch

Peter has just awoken from his daydream and finds that the elevator has arrived on the 16th floor. He nervously leaves the elevator and finds Ned's room. He is somewhat relieved to see that Ned is asleep. He finds a chair to sit in and waits.

Meanwhile, in a breakroom down the hall, two nurses are eating lunch together. They are Mary (a liberal Democrat) and Harry (a conservative Republican). The two friends often use their lunch breaks to discuss how they can better help their patients.

Sometimes they discuss how they can personally do their own jobs better. Sometimes they speak of broader topics, like how they and their managers can run the hospital better. But today, they decide to talk about an even broader topic: the government's role in the health care system, and how the system as a whole can be improved.

Mary: The whole system is simply outrageous.

Harry: I know! It's awful.

Mary: Our politicians are a bunch of clowns.

Harry: Total clowns. But so are we! We're the clowns who keep electing the clowns.

Mary: That's true. Millions of Americans don't have health insurance, and it took decades for us to step up and pass the ACA. But even after the ACA is fully implemented, there will still be many uninsured Americans.

Harry: Well, I disagree that...

A doctor named Janet Clark pops her head in.

Janet: Oh, boy. Are you guys discussing health care policy?

Mary: We were about to.

Janet: Big mistake. I'd change the subject right now, if I were you.

Mary: How come?

Janet: Because you're a liberal and he's a conservative. There's no way you guys can have a productive conversation on public policy. Don't even bother.

Mary: What!? Last week, we spent a great deal of time talking about how we could provide better care for our patients. That was productive.

Janet: But that's different! When it comes to caring for patients, you guys have similar values. The only things to argue about are facts and analysis of those facts. But when it comes to public policy, you guys approach the discussion with different values. Values are completely **subjective**; no one can say one set of values is right and the other is wrong.

Harry: I don't think that's true. There is only one set of values that is right; we just have to find what those values are.

Janet: Fine, that might be true. But so what? Everyone has their own ideas about what the right set of values is. Even when people get their values from reading the same Bible, they often have very different interpretations.

Mary: Hmmm.

Janet: Well, sorry for interrupting your lunch. I have to go check on a patient.

Janet leaves.

Mary: Maybe she's right. Maybe it's useless for a liberal and a conservative to try to discuss public policy.

Harry: I doubt it. Even if our values are fundamentally different, we may learn things about our own values we hadn't realized before. And who knows? Maybe, when we hear about each other's values, that may cause our own values to change.

Mary: That's true. And even if our values don't change, perhaps our understanding of the facts will. Right now, we may believe erroneous things, or we may be overlooking important facts, or we may be making mistakes when we analyze and interpret the facts. Discussion might help us fix those errors.

Harry: That's right. So...let's get started! Tell me, Mary. What do you think about health care and public policy?

Mary: Well, I think the government should make sure everyone has access to quality health care. Having access to good health care is a **human right**.

Health Care as a Human Right

Harry: When you say it's a human right, what do you mean?

Mary: A human right is something that is fundamental to living a life with human dignity.²⁶

Harry: Ok, but what does it mean to live a life of human dignity?

Mary: It means that people can do things that are fundamental to living full human lives: to be able to have a family, get an education, work, think and speak freely, and vote or otherwise participate in their own community's government.²⁷ Human rights don't guarantee that people will actually do these things, but they ensure that people can. But it's impossible to do any of those things if you don't have your basic needs met: like food, shelter, and health care.

Harry: So that's why you think that health care is a human right?

Mary: Yes.

Harry: Well, I agree that people should be free to do all the things you named. No one should stop you from voting or marrying or working or speaking! But human rights are a two-sided coin. If you have a right to government-provided health care, then that means all the taxpayers have to pay the bill! I don't see why people should be forced to pay for someone else's health care.

Variations on the Human Rights Argument

Harry seems unconvinced by the human rights arguments, so Mary tries another version of the argument.

Mary: If the government is democratic, and elections are run fairly, then that means the government is held accountable to the

²⁶ Forsythe, Human Rights in International Relations, 1.

²⁷ See the Universal Declaration of Human Rights. Accessed June 29, 2011. <<http://www.un.org/en/documents/udhr/index.shtml>>

people. Since the government is accountable to the people, it should be able to collect taxes and use that money for things that the people want, like ensuring everyone has access to good health care.

Harry: When a politician is democratically elected, that means that more people voted for him or her than for anyone else. This is a good thing; I would rather that our politicians be chosen by a majority of the American people than be led by a tyrant.²⁸ But I also don't want the majority telling everyone else what to do or how to spend their money. Remember the saying, "What's right isn't always popular. What's popular isn't always right."²⁹ This is especially true when you consider that people have different preferences about how to live their lives.³⁰

Democracy: Government By the Majority?

Harry objects to the government being able to tell people what to do, even if it is controlled by a democratic majority. But what if things are even worse, and the government isn't even controlled by a democratic majority?

For example, the following three statements are widely believed to be true:

*First, politicians often win elections by misleading or outright lying to voters.

²⁸ It's not really the majority of the people that chooses the winner in an election. When there are more than two candidates, candidates can sometimes win without a majority. Plus, the people who vote are often a small fraction of the total population.

²⁹ I can't verify where this quote comes from, but at least one website says Howard Cosell. Accessed June 29, 2011.

<http://www.searchquotes.com/quotation/What's_right_isn't_always_popular._What's_popular_isn't_always_right./99872/>

³⁰ Friedman, *Capitalism and Freedom*, 15. "A major source of objection to a free economy is precisely that it ... gives people what they want instead of what a particular group thinks they ought to want. Underlying most arguments against the free market is a lack of belief in freedom itself."

*Second, politicians often win re-election by enacting policies that are beneficial in the short-term but may cause problems after election day.

*Third, politicians are often in cahoots with special interests. In exchange for desired public policies, the special interests help with the election campaigns by making donations, paying for ads, and organizing get-out-the-vote efforts. (Sometimes, it's not even about elections...politicians can be promised a cushy job after leaving office, for example. Outright bribery is illegal, but it happens sometimes.)

If politicians are constantly lying to or manipulating the public, and if they are following the will of their donors rather than the voters, then arguably America's democratic government isn't particularly democratic. Some see this as an argument for reducing the scope of the government. The more things the government gets involved in, the more power special interests have over the government, according to this argument.

For example, opponents of Medicare argue that this program – which is meant to provide health insurance for the elderly – has led to all three problems listed above. They believe Medicare has led to misleading rhetoric (both Democrats and Republicans are regularly accused of planning to destroy Medicare and leaving the elderly vulnerable), short-term thinking (because the country often takes on more debt to pay for Medicare benefits) and corrupt deals (because special interests influence which procedures are covered by Medicare.)

Mary: I'm confused. It sounds to me like you don't think the government should be able to do anything.

Harry: That's not true. I just think there should be limits.

Mary: Well, I think there should be limits too. But there's a good argument that providing some minimal living standard and financial security is something the government should be doing.

Harry: What's the argument?

Mary: It has to do with our economic system: **capitalism**. Under capitalism, people can own, buy, and sell all sorts of things: land, labor, stocks, houses, toys, medicine, even ideas. So long as all

involved parties agree, people can freely sign contracts or exchange property in ways that make everyone involved better off.

Harry: I know what capitalism is. It's a great system, and it makes most people far better off than they would be in any other system.

Mary: It does, but it also involves a lot of luck.

Harry: It does involve some luck, but it also rewards hard work. It's not just some big lottery.

Mary: Capitalism *does* involve a big lottery; the biggest lottery is **who your parents are**. The people who raise you determine where you grow up, what kind of school you go to, and what your childhood is like. Your parents also affect you by giving you their genes; your genes can affect your intelligence, your health, your charisma, and your attractiveness. All these things can affect how rich or poor you are, which affects whether or not you can afford health insurance, which can literally be a matter of life or death!

Harry: You're saying that who your parents are has a bigger effect on how your life goes than things that make up your character...like integrity, hard work, and creativity?

Mary: Your character is important, but your character is also largely determined by how you were raised and what kind of genes you received from your parents! There's no denying that, under capitalism, luck plays a major role. And since capitalism is enforced by the government – think about the police, the courts, the Fed, and property and contract law – it's only fair that the system should have some features, like a national health care system, which mitigate the effects of bad luck.³¹

Mary mentions a few more arguments for universal health care. I'll just summarize a few below:

-Utilitarian arguments are based on the idea that people and governments should act to maximize everyone's welfare, and that

³¹ Luck plays a major role in capitalism in other ways. If you work in a job which happens to become obsolete due to technological advances, or is outsourced to another country, bad luck may be to blame (although to some extent these kinds of changes can be anticipated and prepared for.) A discussion of luck and who your parents are can be found in Miller's Two Percent Solution.

a given amount of money contributes a lot more to the welfare of a poor person than to a rich person. (For example, Bill Gates probably wouldn't even notice if he lost or gained an extra \$5, but that same \$5 could be the difference between life and death to a starving man.) Thus, a utilitarian might believe that the government should maximize welfare by compelling relatively wealthy people to pay for the health care of those who can't afford it.

-Fairness-based arguments contend that it is unfair that some people own great wealth while others own almost nothing. There are many arguments along these lines, but here are four common ones: 1) that undeserving people – such as dishonest salespeople or the CEOs of polluting companies – often earn great wealth, 2) that racism, sexism, and other kinds of discrimination have made it harder for certain groups to acquire wealth, 3) that today's distribution of wealth is at least partially the result of horrible past deeds, such as the African slave trade or breaking treaties with Indian tribes, and 4) that basing our whole economy on the private ownership of wealth leads to an unhealthy society that is overly individualistic and materialistic.

Are these arguments against capitalism itself? Not necessarily...it is possible to simultaneously believe that a system of mainly private ownership is both very unfair and the best system possible. But, these arguments can be used to suggest that certain essential human needs – such as access to health care – ought not to depend on whether one is rich or poor.

-Social egalitarians such as journalist and blogger Mickey Kaus argue that social equality – the idea that people regard their fellow citizens as fundamentally no better or worse than themselves - is a core American value that the government should take action to uphold. Social equality doesn't require that everyone have the same amount of money, says Kaus, but it requires that there be important aspects of American life where money doesn't matter. Elections, the military draft, the justice system, and childhood education are spheres where money should play little or no role. The health care system is another candidate, says Kaus, in part because equalizing access to life or death tends

*to be fundamentally equalizing, and in part because it may actually be most efficient to deliver health care through public institutions.*³²

*-This brings us to **practical arguments** for government health care systems. These types of arguments don't concern themselves with poverty or equality; they argue that a free market doesn't work in health care like it does for other goods or services, and that even many middle- and upper-class people would be better served by a public system. The merits of the practical arguments will be examined later.*

For now, Harry responds to the arguments based on luck, utilitarianism, fairness, and social equality.

Harry: Sure, capitalism has some problems. But it is the best economic system the world has ever seen. Look at other systems like feudalism, the Indian caste system, Communism, or Nazism...under those systems, people have starved to death, been murdered, or had to live lives of poverty, indignity, and second-class citizenship!³³

Mary: Well, I'm not arguing for any of those systems. I'm arguing for limited government intervention in a capitalist system.

Harry: Calling for limited government intervention is a dangerous game. It's not just because well-intentioned government efforts often muck things up. It's also because they threaten a fundamental American value: freedom.

³² Mickey Kaus. The End of Equality.

³³ "A capitalist system involving payment in accordance with product can be, and in practice is, characterized by considerable inequality of income and wealth. This fact is frequently misinterpreted to mean that capitalism and free enterprise produce wider inequality than alternative systems and, as a corollary, that the extension and development of capitalism has meant increased inequality." Friedman, Capitalism and Freedom, 168.

Health Care and Freedom

Harry, like most American conservatives, is concerned with limiting the scope of government in order to protect both economic and political freedom. The economist Milton Friedman wrote that,

“Freedom is a rare and delicate plant. Our minds tell us, and history confirms, that the great threat to freedom is the concentration of power. Government is necessary to preserve our freedom, it is an instrument through which we can exercise our freedom; yet by concentrating power in political hands, it is also a threat to freedom.”

Therefore, according to Friedman, free people must ask ourselves,

“How can we keep the government we create from becoming a Frankenstein that will destroy the very freedom we establish it to protect?”

He gives two answers: the first is that

“the scope of government must be limited. Its major function must be to protect our freedom both from the enemies outside our gates and from our fellow-citizens: to preserve law and order, to enforce private contracts, to foster competitive markets.”

The second answer, called **federalism**, is that “power must be dispersed,” meaning that government power ought to be concentrated as much as possible in local rather than state governments, and in states rather than the national government.³⁴

Friedman goes on to explain the connection between a free economy and political freedom in two ways. A free economy, he says, usually leads to the dispersal of economic resources, and anything which acts against the concentration of material or

³⁴ Friedman, Capitalism and Freedom, 2-3.

economic things will necessarily act against the concentration of power.³⁵ Secondly, Friedman says that “economic freedom, in and of itself, is an extremely important part of total freedom.” By this he means that – just as speech and religion are fundamental freedoms – so too are economic freedoms such as being able to travel wherever we want, work in any occupation we want, or trade for goods we want at mutually agreed-upon prices.³⁶

Another conservative, Ann Coulter, applies these arguments specifically to health care. She says that

“if the government is subsidizing [health care], then the government calls the shots. And the moment the government gets its hands on the controls, it will be establishing death panels, forcing taxpayers to pay for abortions and illegal aliens, rationing care and then demanding yet more government control when partial government control creates a mess.”³⁷

We’ll discuss death panels and rationing in more detail in Chapter Eleven. Coulter also says that government control can lead to more government control; this echoes a warning made by Ronald Reagan. Before Medicare was passed, Reagan (who was not yet president) warned that

“one of these days you and I are going to spend our sunset years telling our children and our children’s children, what it once was like in America when men were free.”³⁸

³⁵ Friedman says there are a few cases – such as telephone service – in which technical conditions make it most efficient to have a single producer. In those cases, the free market leads to monopolies rather than the distribution of economic power. But, according to Friedman, the cases where technical monopolies exist are rare and often don’t last long; thus they seldom justify government intervention. Friedman argues that government intervention is generally more likely to cause than to cure monopoly conditions. See Capitalism and Freedom, 28.

³⁶ Friedman, Capitalism and Freedom, 9.

³⁷ Coulter, “Liberal Lies About National Health Care: Third in a Series (Commemorative Plates on Sale Now!)”

³⁸ Klein, “Health Care and Freedom.”

Nowadays, Medicare is very popular and has grown tremendously, and any politician who seeks to change it must fear the wrath of voters. Is this a step toward tyranny that Reagan warned about?

Different Kinds of Freedom

The liberal journalist Ezra Klein says no, because Reagan was using a “very narrow and cruel definition of the word ‘freedom.’” Klein says that Medicare has made seniors “more, rather than less, free.” Klein argues that

“People do not celebrate the freedom to not be able to afford lifesaving medical care. They don't want the freedom to weigh whether to pay rent or take their feverish child to the emergency room. They don't like the freedom to lose their job and then be told by insurers that they're ineligible for coverage because they were born with a heart arrhythmia...[People] depend on [programs like Medicare] to live lives free of unnecessary fear and illness.”³⁹

In Reagan's view, freedom means liberty from coercion by other people or the government. In Klein's view, freedom means having one's basic needs met so that one is free to pursue other things.

Some people believe that the health care debate revolves around these differing views of freedom. They say that most conservatives and Republicans endorse Reagan's view of freedom, while most liberals and Democrats endorse Klein's.

But according to political critic Glenn Greenwald, how Americans view and define “freedom” is more complicated.

³⁹ Klein, “Health Care and Freedom.”

Do Republicans Believe Their Own Definition of Freedom?

Essentially, Greenwald, accuses Republicans – at least Republican politicians - of not believing their own definition of freedom. He says Republican lawmakers have supported

“countless intrusive laws -- from federalized restrictions on assisted suicide, marriage, gambling, abortion and drugs to intervention in Terri Schiavo's end-of-life state court proceeding.”

When Republicans are in power, according to Greenwald,

“The National Security State is bloated beyond description through wars and occupations, while no limits are tolerated on the Surveillance State. Then, when out of power, they suddenly pretend to re-discover their ‘small government principles.’”⁴⁰

Mary: You say you’re concerned about freedom, but the definition of freedom you use is cruel and illogical. Liberals understand that freedom requires a balance between limiting the role of government and using government to effectively accomplish important goals, such as protecting the human right to quality health care. It’s no surprise that when in power, Republicans don’t follow their own definition!

Harry: Conservatives *do* follow our own definition of freedom. When deciding whether or not a certain action by government is appropriate, we follow our principles and weigh the advantages and disadvantages of the proposed action.⁴¹

⁴⁰Greenwald, Glen. “The GOP’s ‘small government’ tea party fraud.”

⁴¹ Friedman says that, “Government may enable us at times to accomplish jointly what we would find it more difficult or expensive to accomplish [individually]. However, any such use of government is fraught with danger. We should not and cannot avoid using government in this way. But there should be a clear and large balance of advantages before we do.” Friedman,

Freedom and Poverty

Mary: I know you're a sincere guy, Harry. But I'm not surprised that a lot of liberals think conservatives are full of it. It really does seem that all this freedom-talk is just cover for a cruel indifference to the health care problems that poor and middle-class Americans face.

Harry: Ha! We are the only ones sincere about helping the poor.

Mary: Really? Then why do conservatives oppose almost every effort by the government to reduce poverty? You keep saying the role of government should be "limited", but why can't helping the poor be included in that limit?

Harry: Lots of conservatives think the government should help the poor. But not all antipoverty proposals will actually reduce poverty; some seem more designed to help middle-class liberals get jobs at wasteful government agencies. In America, the best ticket out of poverty is to work hard, stay in school, don't commit any crimes, and don't get yourself or anyone else pregnant until you're old enough. I would only support a policy proposal that doesn't undermine the values people need to get themselves out of poverty.

Mary: What about Ned Johnson?

Harry: Ned Johnson? The man who was admitted yesterday?

Mary: Yeah. Ned isn't poor; he's just on hard times. He's a full-time hardware store employee. He never did a drug in his life. He and his wife waited until they were 25 before they had their first child. He ended up in the emergency room after his doctor recommended having his gall bladder removed, but he couldn't afford it! Doesn't Ned, and all the people like Ned, deserve better than that?

Harry: You're right. Ned Johnson deserves better, and his problems are a clear sign that our health care system is broken.

Mary: Good. Then you agree that the government should provide health insurance to every American?

Harry: No, I agree that you're out of your mind.

Have Liberals Lost Their Minds?

Mary: What's so crazy about everyone having access to the care they need?

Harry: There's nothing crazy about that. What's crazy is that you would rely on the government, rather than the free market, to achieve that goal. In all the other sectors of the economy, the free market works best. Businesses compete with each other to give customers what they want at the lowest possible price. Any business that can't give customers what they want will go out of business. It's done wonders for our standard of living.

Mary: But you just admitted that the free market hasn't helped Ned Johnson!

Harry: No, I said the current system hasn't helped Ned. The reason our health care system is so messed up is because we already have way too much government involved in our health care. The fact that the ACA will expand the role of government even more is disturbing. If we got government out of the picture, our health care would be light-years ahead of where it is today.

Ann Coulter made a similar point.

"The reason seeing a doctor is already more like going to the DMV, and less like going to the Apple 'Genius Bar,' is that the government decided health care was too important to be left to the free market. Yes -- the same free market that has produced such a cornucopia of inexpensive goods and services that, today, even poor people have cell phones and flat-screen TVs. As a result, it's easier to get your computer fixed than your health. Thanks, government!"⁴²

⁴² Coulter, Ann. "Take Two Aspirin and Call Me When Your Cancer is Stage 4."

Harry: If you don't believe me, think about food and clothing and housing. Those are human rights too, right? Should the government just take over all those sectors too?⁴³

Mary: Those are human rights too. But the government should never thoughtlessly "just take over" a sector of the economy. Health care is unique; it requires a large and unique role for government. Before the government gets involved in anything, it's important to study how that part of the economy works.⁴⁴

Harry: Health care may be unique in some ways, but not in any way that justifies a large role for government. And I'm going to prove it. I'm going to show you that **even by your standards**, the conservative free-market approach is the best way to ensure that Americans have access to quality, affordable health care. And if you see a flaw in my logic, I want to hear it; I want to know why you think an activist government is needed in the American health care system.

Mary: Sounds like a challenge. Bring it on!

A Debate On What Actually Works?

Dr. Janet Clark pokes her head in again.

Janet: Oh boy. Has this talk led to blows yet?

Mary: Ha, ha. Not at all. I don't think the gap between liberal values and conservative values is that big after all. Our discussion

⁴³ "Isn't food important? Why not 'universal food coverage'? If politicians and employers had guaranteed us "free" food 50 years ago, today Democrats would be wailing about the "food crisis" in America, and you'd be on the phone with your food care provider arguing about whether or not a Reuben sandwich with fries was covered under your plan." Coulter, Ann. "Take Two Aspirin and Call Me When Your Cancer is Stage 4."

⁴⁴ Every market in the American economy couldn't exist in anything like its present form if it wasn't for the government performing basic functions like enforcing property rights, contract law, maintaining the currency, intellectual property laws, building infrastructure, and antitrust laws. Many poor countries in the developing world suffer greatly because their governments do not perform these basic functions properly. See Wheelan, Naked Economics, 54-79.

is going to center on who has ideas which *actually work*, rather than a clash between ideologies.

Janet: Ha! You are so naïve. Discussion of the facts, or what “actually works”, won’t change anyone’s mind in any significant way. Good luck with your little discussion, though!

She leaves.

Harry: Wow, Dr. Clark is really cynical.

Mary: I know! But let’s continue...you were about to tell me why you think the free-market approach is the best way to ensure that Americans have access to quality health care.

A Note on Political Philosophies

And so, Mary and Harry shift their discussion from ideological principles to the meat of their policy proposals. Before we follow that conversation, we should take a moment to discuss **political philosophies** a little more.

America’s most prominent political philosophies are liberalism and conservatism. Roughly speaking, liberalism is represented by the Democratic party and conservatism by the Republican party. It is hard to define any political philosophy because terms like “liberalism” and “conservatism” mean different things at different times to different people. Some people think of the **size of government** as the axis of disagreement between liberalism and conservatism, with liberals favoring bigger government and conservatives smaller government.

But this isn’t really accurate. **Liberals** are primarily concerned not with the size of government but with ensuring that the economy and government work fairly for everyone. They have diverse goals: prosperity, freedom, security, ending poverty, and protecting the natural environment. Liberals believe their goals sometime require paying special attention to the needs of groups that face discrimination or some other kind of hardship, such as racial, religious, and sexual minorities, disabled people, women, poor people, workers, and immigrants. While liberals believe in

capitalism, they also believe in an affirmative government to correct problems the free market can't solve.

Small government is important to **conservatives** but conservatism is more than just small government. Jonah Goldberg lists six tenets of conservatism: "1. a deep suspicion of the power of the state. 2. a preference for liberty over equality. 3. patriotism. 4. a belief in established institutions and hierarchies. 5. skepticism about the idea of progress [in other words, conservatives recognize that there are certain 'permanent things' that can't be changed]. 6. elitism [recognition that some people will always be better at certain things than others]." ⁴⁵ Conservatism is sometimes described as having three strands: *economic conservatism*, which focuses on low taxes, private property rights, and minimal regulation; *social conservatism*, which advocates certain values based on religion, individual responsibility, and strong families and communities; and *military/security conservatism*, which emphasizes having strong, aggressive armed forces (and other security agencies.) ⁴⁶

Those are the two most prominent political philosophies in America, but there are many others. Here are some:

* **Libertarianism** is a philosophy that often overlaps with conservatism. Libertarians believe that people "have a right to be secure in their life, liberty, and property."⁴⁷ Governments are formed to protect those rights only; any other government action is dangerous and risks leading to corruption. Thus libertarians and conservatives both oppose the ACA and believe the government should play a minimal role in health care. But many libertarians also believe in fully legalizing drugs, abortion, immigration, and same-sex marriage, which puts them at odds with social conservatives. Some libertarians are critical of America's wars and security policies and disagree with military conservatives.

* **Socialists** think the problems with capitalism are fundamental and unsolvable within that system. They believe that corporations

⁴⁵ Jonah Goldberg, "What is a 'Conservative'?" Goldberg cited the list from another conservative, Derbyshire.

⁴⁶ For a discussion of liberalism and conservatism, see Conrad, Jessamyn. What You Should Know About Politics ... But Don't.

⁴⁷ Boaz, David. "Key Concepts of Libertarianism."

in capitalist economies will inevitably cause all sorts of harm in their endless pursuit of profits: environmental destruction (caused by corporations searching for more energy resources and places to dump waste), feelings of unhappiness or unfulfilment (caused by ad campaigns and a materialist culture which get people to focus on silly or superficial things they don't really want or need), and destabilized communities (caused by jobs moved overseas and economies being depressed by financial speculation.)

Socialists have proposed various alternatives to capitalism. The Soviet Union practiced a form of *Communism* in which the Soviet government directly owned and controlled centers of economic production, and was sometimes horrifically incompetent and brutal.

Some European countries have *democratic socialism*. In these countries, a democratic government controls some economic production but markets also exist. (When government control and markets exist side-by-side, economies are often called "mixed economies". In fact, it is sometimes said that all countries, including the United States, are mixed economies because all countries combine markets and socialized economic activity to some extent.)

Some socialists reject the notion that production should be controlled by either the government or profit-seeking capitalists; they instead want *firms owned by their workers or local communities*.⁴⁸

* **Unionists** believe that workers can improve their wages and working conditions by working together. When each worker negotiates with an employer individually, the workers end up competing against each other and depressing their own wages (or worsening their own working conditions). If they form a single bargaining unit, the workers gain more power because they aren't undercutting each other. Workers can also improve their lot by working together politically to ensure that the government supports labor unions and enacts other policies supporting workers, according to unionists.

* **Anarchists** believe that government, private property, and all forms of hierarchy should be abolished. Cooperation within and

⁴⁸ For one socialist viewpoint, see Joel Magnuson, [Mindful Economics](#).

between communities can provide security and ensure that everyone has their needs met (including health care.) It is a myth, say anarchists, that bosses or police are needed to scare people into being good workers and citizens. When large-scale decisions need to be made (such as building a hospital, for example), some anarchists believe governing councils can be formed. Unlike traditional government bodies, these councils aren't authorized to use force and thus can only be effective by making decisions which have the consensus of the community. Furthermore, everyone can directly vote in the council's decision-making process; elected representatives are rarely or never used. According to anarchists, this ensures that no one is elevated into a permanent "ruling" or "political" class.⁴⁹

* **Fascists** believe that successful societies must be organized in a way that recognizes the vast differences in ability between human beings. People ought to be given tasks which are appropriate for their abilities, and most people lack the intelligence and character to be good leaders. Contrary to basic American tenets like freedom of speech or religion, fascists believe in **totalitarianism**, which is the idea that the government can intervene in all aspects of citizens' lives when the leaders think it is necessary. Adolph Hitler is the most famous (and infamous) fascist, and fascism is often associated with extreme racism, anti-Semitism, and militancy. It is also associated with **corporatism**, in which business leaders support and are supported by the government.⁵⁰

⁴⁹ Gelderloos, Peter. Anarchy Works.

⁵⁰ Fascism, as well as other political philosophies, is explained in Carl Cohen's Four Systems.

Chapter Four:

A Conservative Approach to Health Care

Harry explains his conservative approach to health care policy.

Third Party Payments

Harry: The biggest problem in our health care system is that health care **costs too much**. This is the reason that many people can't afford good health care, that many middle-class people suffer financial insecurity, and that federal and state governments face budget problems. And the reason the costs are too high is because **people are happy to throw around other people's money**.

Mary: What do you mean?

Harry: Suppose you were going to buy a computer. How would you shop for it?

Mary: Well, I wouldn't shop for a computer because I don't need one right now. But if I did, I would shop around until I found the least expensive computer that did what I needed it to do.

Harry: And suppose I said I would give you as much money as you needed to buy a computer?

Mary: I would probably buy a really fast, really fancy computer.

Harry: Exactly! When someone else is paying, people don't mind spending lots of money. That's true for computers and health care and everything else. So when you have health insurance that covers all or most of the costs, you don't shop around for cheap doctors or cheap medicine, nor do you hesitate before ordering more care. Plus, your doctor isn't going to worry about spending the insurance company's money either. So when you buy medical care, the two people involved in the transaction are you and your doctor, and neither one has any reason to care about keeping costs down because a **third party** (the insurer) is the one taking the bill.

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