

Cities would save under Healthy Wisconsin

That Healthy Wisconsin is good for the public may be its biggest political challenge

By Jack E. Lohman

Health care has become a major bargaining point between cities and their workers, and it need not continue. The Healthy Wisconsin proposal by the Democratic state senate would not only save the city Eau Claire substantial dollars on its healthcare spending, it would also lower property taxes and it would limit bargaining issues to whether or not the city (or a company) picked up healthcare co-pays for workers. That would not have to change under the new system.

All other healthcare would be funded at the state level -- for fewer dollars -- and the public and Wisconsin businesses would be the winners.

But note the key word "funded." The state only collects the taxes and passes them to hospitals, clinics and health care networks, all of whom remain as private competitors. The system is government funded but remains privately operated, just like with other state public-private services.

This should be a no brainer, but it is complicated by the age old problem of winners and losers, and in this case the loser is the insurance industry, which is why the Republicans are so upset. They receive much of their campaign contributions from insurers, thus are pushing for the industry's health savings accounts instead.

Health savings accounts are great investment tools for the young and healthy and the wealthy, but they are terrible healthcare policies for families. But if the Republicans insist on HSAs, they should also mandate that all legislators take them too, instead of their gold-plated taxpayer-funded health care package. Now let's see where their loyalty is.

Under Healthy Wisconsin, the 31% of administrative waste that's consumed by the massive insurance bureaucracy is eliminated, and that includes the unnecessary administrative and billing personnel at insurers, hospitals and clinics, plus the insurer's costs for marketing, broker sales commissions, actuarial costs, gatekeepers, high executive salaries and ever-increasing shareholder profits. Even their high costs of lobbying and campaign contributions are passed to the patient (and in most cases employers, who have been taking their jobs offshore to avoid the costs).

We won't eliminate it all, because some of it is useful. But we will eliminate the needless make-work portions and use the savings to expand first-class coverage to everybody, including the uninsured and unemployed, all for the same dollars we are spending today. The displaced workers can be retrained in other needed areas -- like filling the shortage of nursing and medical technician jobs -- but the insurance CEOs can find their own work in other markets.

Yes, there is a 10.5% tax on wages but that will replace the 15% most companies and cities will save in insurance premiums. And there's a 4% tax on employee's wages that will be more than offset by the added coverage of limited dental, vision, mental parity and prescription drugs. But here the state can negotiate for better prices to bring drug costs down.

So of course the insurance industry doesn't like these "savings" because it comes out of their hide. And while insurance is a good and profitable industry, it has no place in our healthcare system, draining dollars that instead should be spent on patient care.

However, Healthy Wisconsin is not perfect and it needs tweaking. We need a small business tax break to help transition those businesses that have not been able to provide health care in the past, and we need a cap on dual-income family wages. But those are the things Republicans are good at and they can amend the bill before it becomes law. That is, if they can first break their link with the health savings account industry.

Resources:

www.ThrowTheRascalsOut.org (political advocacy)

www.BusinessCoalition.net Business Coalition for Single-Payer Healthcare (a founding member)

www.moneyedpoliticians.com/ (Book site: "Politicians - Owned and Operated by Corporate America")

www.WiCleanElections.org (Describes the benefits of public funding of campaigns)

Blog: <http://MoneyedPoliticians.net>

Email contact at: jlohman@execpc.com

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