

COLLECTIVIZING A MARKET

We need compulsory private food insurance

After all, isn't eating a basic right?

By **JOHN R. GRAHAM**
SPECIAL TO THE WASHINGTON POST

Imagine for a moment that you own an upscale restaurant — one that offers vintage wines, fine cuts of beef and exotic seafood. But night after night, patrons are leaving before paying their bills. Indeed, so many guests are now stiffing your restaurant that you face a financial crisis.

Your other patrons are a mixed blessing. Although they're extremely receptive to your waiters' suggestions — purchasing the most expensive bottles of wine, ordering filet mignon instead of flank steak and always sticking around for dessert and coffee — they pick up only around one-eighth of their tab. The rest of the check is covered by one of several food insurance companies. (Bear with me here.) But to get paid by the insurers, you must spend endless hours filling out paperwork.

You also waste a lot of time deciphering the confusing reimbursement policies of the insurance companies. Merlot and cabernet sauvignon, for example, are covered without question, but if a patron orders pinot noir without first trying the shiraz, many

insurance companies won't pay the bill unless you can justify the patron's selection.

Worse yet, even the insurance companies rarely cover the entire cost. Time and again, they refuse to pay the full amount, claiming your menu is overpriced. Which it is — but that's largely because so many of your customers don't pay.

You might be able to solve this problem if you refused to serve those nonpaying customers who lack food insurance. But that would be illegal. The government

requires restaurants to seat all people who walk in the door and to serve them a meal — regardless of whether they can pay for it. As a result, your restaurant loses more and more money each night.

You're angry about the uninsured, because many of them could have afforded to pay for their own meals, particularly if they'd purchased groceries at the supermarket instead of dining out.

So, together with other restaurant owners and food insurers, you're working to convince your lawmakers to pass a bill requiring mandatory food insurance. Surely a citizen who has the means to buy food but

chooses to get it "free" is acting irresponsibly.

Crazy? Of course. But not if you substitute "health care" for "food."

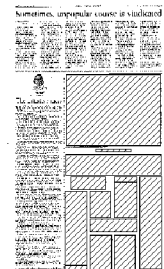
This view of America's health-care system has led a number of pundits and politicians to advocate mandatory health insurance. Massachusetts has made national headlines because it is about to institute that exact policy.

Other states are sure to follow. In California, Gov. Arnold Schwarzenegger has already announced that health-care reform will be the cornerstone of next year's agenda. And most expect his plan to mirror the one in Massachusetts.

But mandatory health insurance is a step in the wrong direction.

First, it's wrong to believe the uninsured are willfully irresponsible. Last year in Massachusetts, for example, only 6 percent of uncompensated health care went to families with reported incomes greater than 200 percent of the federal poverty level. A full 42 percent of care went to individuals reporting no income.

Further, high-income



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people without insurance are voluntarily penalizing themselves by paying more taxes than they need to — tax revenue that the government can use however it wants, including paying for uncompensated hospital care.

And in any event, those who do not want to be insured, whatever their income, will find a way around the mandate. Just look at automobile insurance: Even though it is mandatory in all but three states, one in seven drivers on our roads remains uninsured.

Finally, the nation would be better served if America's lawmakers stopping piling more regulations onto a system that's already absurdly overregulated. Far better to deregulate health insurance and hospitals than to force us into a system that doesn't serve our needs. Then we could shop for the precise care we need, which would improve quality while lowering costs.

After all, mandatory food insurance might provide everyone with sustenance for a while. But eventually, we'd all be worse off. No one would learn to grocery shop or cook. And the entire nation would eat out for every single meal — breakfast, lunch, dinner — until we all went broke.

Health insurance is no different. The system needs more choice, not more coercion.

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