

# The Royal Scam: Massachusetts “Universal Health Coverage”

September-2006, By: John Haberströh, DC ([bostonspineclinics.com](http://bostonspineclinics.com))

On April 12, 2006, Gov. Mitt Romney of Massachusetts signed into law what he personally hailed as a universal health care measure for Massachusetts citizens. The new law drew an inordinate amount of media coverage at the time, most of it fulsome in praise. For example, the *Associated Press* gushed, “The bill, intended to extend coverage to Massachusetts’ estimated 550,000 uninsured, is being touted as a national model, thrusting the state to the forefront of the national debate about how to provide near-universal health care coverage without creating a single government controlled system. It’s also a political coup for Romney as he weighs a potential run for the Republican Presidential nomination in 2008.”

Romney himself has grandly added to the accolades by repeatedly stating that the bill represents his thinking more than that of the Democratically controlled House and Senate here in Massachusetts as he told the *New York Times*. “This is really a landmark for our state because this proves . . . that we can get health insurance for all our citizens without raising taxes and without a government takeover. The old single-payer canard is gone.” Really? Single payer *canard* is gone? Let’s take a closer look at this bally-hood law.

Proponents say it will result in near-universal coverage in the state by 2010, reducing the uninsured rate in Massachusetts to 1% from its 2004 rate of 11%. Also, beginning on July 7, 2007, the law will **require** uninsured Mass. residents to either buy health insurance or face fines. Interesting. For those who hire part time and seasonal employees, the employers will either have to now provide health care benefits where they didn’t have to before, not hire these workers at all or pay the fine. I would be willing to bet these individuals don’t get hired next year.

The major, fundamental flaw of this law, media hype aside, is that it does practically nothing to reduce health care cost inflation. What the bill will do is attempt to improve health coverage by funneling money through the already bloated and Byzantine insurance industry. Insurance companies currently allocate around 20% of their revenue to cover their swollen administrative costs. These include marketing, dividends, firmly telling practitioners how to practice, financing huge management salaries with attendant benefits. That is literally 10 times higher than the overhead of Medicare, itself a bloated government free-for-all which allocates a mere 2% of its revenue to such overhead. It is about 20 times that of Canada’s famed single payer, socialized Government health care program which carries about 1% in overhead costs. And let’s not forget that a system of multiple insurers drives up even more administrative costs with regard to clinics and hospitals. This becomes even more expensive if the insurer is a managed care facility.

Additionally, lowering the amount of uninsured people in Massachusetts doesn't automatically guarantee lower total health spending or premium inflation. There is the unfounded argument that by providing health care to the heretofore uninsured will actually lower overall costs by virtue of the fact that their overall health will be improved. Thus, they won't be needing as much emergency care. This is pure guesswork. While it may be true that having health insurance is associated with better health, it is also true that the insured use many more medical services than the uninsured do. With everyone insured and probably utilizing ERs across the state and more specialists, where then is the alleged savings? The utter failure of the Massachusetts Law to cut health care costs will be aggravated by its method of reducing the number of uninsured. Why? The odd requirement that all Massachusetts residents purchase health insurance. As we stated earlier, thanks to this new bill, health care insurance will now be compulsory, akin to auto insurance: you'll have to buy it or be in violation of law and subject to a fine. This provision is primarily sponsored by Republicans. Thus, even uninsured workers will have to purchase health care coverage or face higher taxes and fines. More and more employers in Massachusetts are already leaving health care plans due to double digit inflationary premiums. More and more employees are now forced to buy their own health insurance. Currently in MA, it costs employers over \$4000 per year to insure one employee without dependents. It costs \$11,000 per year to insure an employee with dependents. Basically, the only way the Massachusetts insurance industry can reduce premiums even slightly, forget the 40% mandate by the Governor, will be by offering hugely reduced coverage with sky high deductibles. Now, if that doesn't happen and premiums remain at their current level and continue to inflate, then subsidies will have to be introduced by state government which means more taxes for all. Romney promised this wouldn't happen. Think again. The real bugaboo here is state enforcement of this law. The bill is a beurocratic sink hole. It will require employers, providers and residents to file reports to the government about who has insurance or not and for how much. Then, with a whole new beurocracy in place, this data will have to be sorted through and punishments meted out to "violators" via the Department of Revenue. Residents who don't have insurance in 2007 will lose their personal income tax exemption. In succeeding years, they will be fined on an increasing slide scale. Penalties for entire families will be higher.

In the end, we may very well have this scenario: tens of thousands of Massachusetts residents forced into buying some kind of health insurance. Naturally, most will opt for high deductibles with little actual coverage so their financial output is low. These people will in effect, have terrible "coverage" but have it nonetheless to avoid a fine by the state. Many others will just refuse to buy any coverage since they can't afford even the cheapest plans. Steps will then be taken to avoid being "outed" by the state such as not filing state income tax returns. Leave it to Mitt Romney to come up with a horrible plan like this. Incidentally, he wants to cap chiropractic benefits to 9 visits per year for any malady. Why? He thinks this too will save money and help the people of Massachusetts. It is stupefying to think this man wants to run the entire country. Do yourself a favor when you have the chance; don't vote for him at any level. (\*from Single-prayer Action Network, Ohio)