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Public Comments on the Interim Recommendations
of the Citizens Health Care Working Group

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We, the Commenters, are Durk Pearson & Sandy Shaw, scientists, best-selling authors, and owners and operators of four small businesses. We submit these comments in response to the call for comments published in the June 14, 2006 "Federal Register" (pp. 34369-34373).

The interim recommendations of the Citizens' Health Care Working Group propose sweeping changes to the current mixed public-private system of health care production and delivery to federally centralize the distribution (and, inevitably, the production) of health care services. Our comments follow. We quote the Working Group from the interim proposal and follow that with our comments.

Many Americans Are Not Represented by The Working Group

"Appointed by the Comptroller General of the United States, the Working Group consists of 14 individuals from diverse backgrounds, representing consumers, the uninsured, those with disabilities, individuals with expertise in financing benefits, business and labor perspectives, and health care providers." (pg. 34370)

COMMENT: Fourteen people are purported to "represent" 300,000,000 Americans. This is a far worse level of "representation" than even that of the Senate, where two Senators are elected to represent all those in one State in the U.S. Senate. Yet, even those 100 Senators are subject to election, whereas the members of the Working Group are not.

. Each of the fourteen members of the Working Group would "represent" over 21,000,000 people. Any individual's voice is lost in such a diluted representation.

. We have never heard of any of these fourteen people, nor have we voted for any of them to represent us.

. There is no representative in the Working Group that represents taxpayers, arguably the largest and most important group of people who will be affected by this proposal, as taxpayers will have to bear the brunt of the costs of any government health care system.

Hence, this Working Group does not represent us as individuals and does not represent us as taxpayers. Moreover, at 1 representative for 21,000,000 people, it is arguable that only

those few special interests with political power (such as labor unions, big business, and disabled rights organizations) have any representation at all. Everybody else is just swept into the process with no say.

Answering Questions on How the Health
Care System Should Function

The Working Group were to address at a minimum the following four questions (pg. 34371)

--What health care benefits and services should be provided?

--How does the American public want health care delivered?

--How should health care coverage be financed?

--What trade-offs are the American public willing to make in either benefits or financing to ensure access to affordable, high quality health care coverage and services?

COMMENT: Whatever the "Working Group" may say, there can be in logic and in fact no single answer to any of these questions coming from "the American people." The answers depend upon the values, medical condition, and resources of each individual American answering the question. For example, for the 50% of the population whose income falls below the median and which pays only 4% of income taxes, the demand for "free" government services may be nearly unlimited as the "free" services will be paid for by others. Those with higher incomes may have a far different view of how much of their incomes they want to see

being spent by bureaucrats purportedly to benefit others. As most federal income taxes are paid for by the highest income earning 20% of the population, these people are in the minority and, hence, will have to be the providers of most of the money paying for this. We do not call this fair or a shared social responsibility. Calling it "shared" when in fact a small minority has to "contribute" (read: be coerced to provide) nearly all of the funding is a cynical misrepresentation.

Constitutional Authority is Lacking

The Working Group believes that the American health care system should be guided by several principles, including (pg. 34371):

. "It should be public policy, established in law, that all Americans have affordable health care coverage."

. "Assuring health care is a shared social responsibility. This includes, on the one hand, a public responsibility for the health and security of its people, and on the other hand the responsibility of everyone to contribute." (emphasis added)

. "A defined set of benefits is guaranteed, by law, for all, across their lifespan. In a simple and seamless manner, the benefits are portable and independent of health status, working status, age, income, or other categories, factors that might otherwise affect insurance status."

COMMENT: There is nothing in the Constitution authorizing the federal government to make health care decisions for Americans, such as what insurance you must buy and what health services you must sign up for; hence, this proposal is unconstitutional and a usurpation of the Ninth and Tenth Amendments.

Next, the "responsibility of everyone to contribute" is just a euphemism to make it appear that there is something "fair" about this, but in fact most people receiving benefits will not be "contributing" anywhere near the full value of what they receive and many will contribute nothing at all. The costs for most will have to be subsidized by American taxpayers, a group not even represented in the process of designing this new system.

The "defined set of benefits" that is "guaranteed, by law" is not guaranteed at all, but is fully dependent upon the current state of political jockeying and the cash flow of the federal government, eg. how much in taxes it can extract from its citizens. Just as we have seen with excessive promises in Medicare and Social Security, federal entitlement programs are not forever but last only while the money is there. Taxpayers are being given the shaft and are not even represented in your stinking process.

The Working Group Claims Americans Demand That
"Everyone" Participate

On pg. 34371, the Working Group claims that "[a]cross every venue we explored, we heard a common message: Americans should have a health care system where everyone participates." It is not clear what this means. If it means that the Working Group heard some Americans "volunteer" the participation of other Americans (for whom they do not speak) in a particular form of health care system, then this represents only the views of the commenters, not the views of those who are "volunteered" (eg. commandeered at the point of a government gun) into a system not of their choosing.

Financing Health Care That Works for All Americans

On pg. 34372, the Working Group proposes new revenues (eg. taxes) for financing what they call "health care that works for all Americans." They say: "We recommend adopting financing strategies for these recommendations that are based on principles of fairness, efficiency, and shared responsibility. These strategies should draw on dedicated revenue streams such as enrollee contributions, income taxes or surcharges, 'sin taxes,' business or payroll taxes, or value-added taxes that are targeted at supporting these new health care initiatives."

COMMENT: We do not believe that "fairness, efficiency, and

shared responsibility" will have much to do with the attempt to find revenues for the Working Group's health care "reforms." The government will attempt to gouge money out of the citizens as it can, regardless of fairness, efficiency, and shared responsibility. These sorts of principle statements are meaningless lies when you are talking about redistributing income from those that have something to take to others that want it, and we think the Working Group is very well aware of this.

Moreover, "health care that works for all Americans" is an oxymoron as no single package can meet the desires, values, and resources of all individuals Americans. Just as Medicare is now a problem limiting the availability of health care for even those who have excellent insurance policies and enough money (saved over a lifetime) to make their own health care choices, another federal program for "health care that works for all Americans" will not work "for all Americans," a cynical lie being used to promote a system for which no such claim can be made. As long as nobody has the choice of opting-out, the system will be a tyranny that will wreak havoc with many individuals' health care choices and, inevitably, their health.

Process for Determining the Health Care Benefits Package

On pg. 34372, the Working Group proposes various goodies to be provided by their proposed Benefit Package. For example, "Recommendation 3: Guarantee financial protection against very high health care costs" because "No one in America should be impoverished by health care costs."

COMMENT: This generosity is very noble of the Working Group, but of course they do not propose to spend their own money to carry this out, but the much easier strategy of seizing and spending other people's money. Moreover, this "benefit" is a serious disincentive for Americans to save money for their health care. Why bother when the taxpayers will pick up the tab? (In ethics, this is called a "moral hazard.") Once again, those pesky taxpayers are an essential part of this process and have not been represented.

In Recommendation 2: Define a "Core" Benefit Package for All Americans, the Working Group states that "[i]dentification of high cost and core benefits will be made through an independent, fair, transparent and scientific process."

COMMENT: Once again, we emphasize that those making these decisions are not accountable to the public, as they are not elected as representatives and, hence, not subject to control through the political process. Thus, to say that the process will be "independent, fair, transparent and scientific" is a promise with no safeguards to ensure it. Moreover, while science may play some role in helping evaluate the scientific merits of various therapies, it plays no role in determining what choices are made and has no way to prevent special interests from

lobbying for their own choices, "scientific" or not. For example, political pressure groups have caused Congress to allocate far more tax money per breast cancer death than per prostate cancer death or even heart attack death. Individual Americans have no voice in this process.

Recommendation 5: Promote efforts to improve quality of care and efficiency

On pg. 34372, the Working Group makes the proposal that the federal government not only improve quality and efficiency of health care but ensure "controlling costs across the entire health care system." Other government entitlements have demonstrated that government cannot control health care costs. In the federal government's annual report of the Medicare Trustees of May 1, 2006, it is reported that total expenditures amount to \$336 billion in 2005 (up from \$184 billion in 1995) and are projected to more than double to \$817 billion by 2015. Spending per beneficiary was approximately \$8,052 in 2005 and is projected to grow to \$16,305 in 2015. Enrollment is projected to grow to more than 53 million by 2015. The Medicare Hospital Insurance Trust Fund (Part A) is projected to be exhausted by 2018, two years sooner than last year's forecast. According to the nonpartisan Concord Coalition, "[b]y 2020 Medicare will require general revenue contributions equal to 25% of individual income taxes in addition to premiums and payroll taxes dedicated

to Medicare." Additionally, Richard Foster, the chief actuary of the Centers for Medicare & Medicaid Services, notes in the Trustees report that the Medicare Part B [doctor-payment program] projections are unreasonable. For them to be reasonable, he writes, physician fees would have to be reduced 37 percent over the next nine years, "an implausible result." (Sources: "2006 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds," May 1, 2006: <http://www.treasury.gov/offices/economic-policy/reports/medicare.pdf>; and "Concord Coalition Warns Tough Choices Must Be Made on Entitlement Program," Concord Coalition press release, May 1, 2006: <http://www.concordcoalition.org/press/2006/060501release-trusteesreport.htm>)

In the control of health care costs, the government can do only two things: it can limit accessibility or it can set price controls. Price controls always produce shortages if the legal price is set below the market clearing price. This economic law is inviolable and ruthlessly self-enforcing. If the comptroller of the currency is ignorant of this bedrock principle of economics, he/she is grossly ignorant and incompetent and should resign.

Human wants (including medical care) are infinite; resources are finite. If individuals are not allowed to make their own choices in a healthcare marketplace to allocate their own limited resources, the government will allocate them on the basis of political favoritism and special interest group politics. For

example, under the British National Health Service, you cannot get dialysis if you are over 60 because it is more economical -- from the government's point of view -- for the money to be spent on somebody younger who is still "contributing" to the government revenue stream. Under the Canadian National Health Service, 40% of men with prostate cancer are cured as compared to 80% in the U.S. Under Canada's National Health Service, 60% of cancer patients are never allowed to see an oncologist; it is far less expensive to the NHS to give these patients palliative care. Thus, they die on opiates and in relative comfort, but without the NHS having to spend large amounts of healthcare resources that could be used for other more politically powerful consumers of these public resources.

This murderous proposal being so innocently presented by the 14 members of The Working Group will, if they have their way, result in the premature deaths of scores of millions of Americans who will not be allowed to use their own resources to make their own healthcare choices.

We Don't Trust You

You say you're from the government and you're here to help us (by making our healthcare decisions for us)? No thanks. We don't trust you with our lives.

We Demand a Cost-Benefit Analysis for Taxpayers

There is nothing in these interim recommendations about the need for a transparent cost-benefit analysis for those who will have to pay for the bulk of these costs, costs that are certain to be much greater than estimated by the government. Having to use coercion to get people to "participate" in the proposed nationalized healthcare system is just another way of saying that your offer stinks. People would voluntarily sign up if they judged it to be in their interest to do so. We propose that there be a transparent cost-benefit analysis for all classes of taxpayers, including those upon whom the burden will fall most heavily.

Conclusion

We propose that there be a comprehensive "opt-out" provision (both with respect to treatment and to "contributions") in any such government healthcare system for those Americans who prefer their own arrangements. This is called freedom of choice. Without such an opt-out provision, you not only create a medical tyranny into which everybody is conscripted, but you create growing social instability as the various classes of beneficiaries fight it out over other people's money in a

political feeding frenzy.

Taxpayer Impact Statement: We propose that there be a transparent cost-benefit analysis (Taxpayer Impact Statement) by reputable and knowledgeable economists on the burden on all classes of taxpayers and what benefits they get. Estimates of the costs of the huge government bureaucracy to administer this as well as estimates of the losses due to fraud must be included. We also suggest that you add a taxpayers' representative to your Working Group. An officer of the National Taxpayers Union would be a good choice. Without a taxpayers' representative, you lie every time you claim that there is anything "fair" about this process.

There is nothing in the Constitutional grant of powers to the federal government that authorizes the federal government to impose a nationalized healthcare system; the proposed system usurps American rights under the Ninth and Tenth Amendments and is, thus, illegitimate.