Twelve Health Care Questions for Your Member of Congress

Vermont’s three members of Congress will be home next week for a month-long recess. This will provide an excellent opportunity for citizens to query them on the subject of the Obama-Kennedy-House Democrat health care bill.

There are actually three huge bills under intense development. The Democrats’ game is to cobble together some collection of provisions that will attract enough votes to pass their respective chambers. Then in the House-Senate conference, their leadership and the Obama Administration will reshape the package into what they want, and twist arms until enough Democrats agree to vote to enact it.

Here are twelve questions that concerned citizens should pose to their Congresspersons:

The bills impose an individual mandate on me to buy health insurance approved by the Federal government. What will happen to me if I don’t go along? Fines? Wage garnishment? Jail? Will these penalties also apply to millions of illegal aliens, or will they apply only to American citizens and legal immigrants?

The bills impose a mandate on most businesses to pay for employee health insurance containing “essential benefits” approved by the federal government. If the businesses don’t do so, they’ll be required to pay a fine. How many small businesses in Vermont will shrink their operations, or go under, rather than pay this new penalty?

President Obama said that if I am happy with my coverage, I can keep it “no matter what”. Now we learn that I can keep it until my employer changes or drops it, or until I change employers, or until I try to buy individual insurance. Will you stand behind the President’s initial promise, or will you support Congress’s action to break it?

The bills contain a provision allowing health insurance plans bargained by labor unions to continue unchanged – while nonunion workers are threatened with loss of coverage. Is this preference for unionized workers a result of labor’s strong support of Obama and the Democrats in the last election? Do you support the exemption?

President Obama has said he won’t support a health care reform bill that will add to our exploding deficit. The Congressional Budget Office says this bill will bend the Federal health care expenditure curve up, not down. Will you vote against any bill that fails President Obama’s requirement that it will not add to our deficit?

Governors of both parties have strongly objected that the bill’s mandated expansion of Medicaid will put an intolerable fiscal burden on struggling state treasuries and state taxpayers. Will you vote against any bill containing this very costly unfunded mandate on our state government?

The bill includes provisions for Federally designed “comparative effectiveness research”. This is intended to require health care providers to deny health care to elderly citizens, people with disabilities, and others the health of whom certain appointed experts think is not worth improving. Will you oppose any bill that contains such a provision?

See Twelve Health Care, Page 3
The page one commentary in this issue offers a dozen incisive questions you might want to put to our three Members of Congress as they travel about the state during their August recess. There are many others.

For instance, Sec. 1233 of the House bill (HR3200) requires Medicare doctors to counsel seniors about how to die quickly and cheaply. There’s also the likelihood that the House bill will destroy the Health Savings Accounts owned by thousands of Vermonters. Let us know what kind of answers you get. (Please note the last sentence on page three).

The good news here is that the Obama Socialize-America-Now! plan is starting to come undone. His July 22 health care news conference showed that he is making up stuff that simply isn’t true (see the Newsweek FactCheck analysis of his remarks.) His irresponsible left wing allies in Congress aren’t doing his and their cause any favors either.

Then there’s the lunatic Waxman-Markey energy tax bill, described on page four, that is unlikely to survive even the 60-40 Democratic majority in the Senate. Obama is starting a slide into a long losing streak.

Meanwhile, even here in Green Socialist Vermont, the Tea Party Protest movement is gathering steam. Send an email to burlingtonteatrumparty@gmail.com to get on the event announcement list.

EAI’s new President and CEO will be announced on August 24. He will bring new energy, enthusiasm, and leadership not just to the Institute, but to the emerging pro-liberty, limited government, low-tax, economic growth coalition that I have struggled to motivate these past 16 (actually, 45) years. I’ll continue in the new post of Vice President for Research. This is not my farewell, but this will be my last President’s Message in this space. Stay tuned!

John McClaughry
The bill requires that “qualified” health insurance plans include all “essential benefits” determined by federal bureaucrats. Democratic majorities have already voted down amendments to exclude elective abortions from the list of “essential benefits”. That means that for the first time taxpayers will be required to subsidize elective abortions. Will you vote for a bill requiring taxpayer financing of elective abortions?

Exploding medical malpractice claims, fueled by the plaintiff’s bar, are driving doctor and hospital malpractice insurance premiums ever upward. Why are there no provisions in any of the bills to ameliorate this problem, which is driving doctors out of practice? Is it because the plaintiff’s bar contributes millions of dollars to the leading sponsors of this legislation?

The bill contains a “public option”, a government-run insurance company “to keep the private insurers honest.” Will this government-run company pay taxes, pay for its own revenue collection and marketing costs, and pay market interest rates on its debt? Or will it enjoy government backing that will enable it to undersell its private competitors, swallow up their customers, and become a new “Medicare for Everybody”?

Speaking of Medicare, the system is $36 trillion out of actuarial balance and will run out of hospitalization benefit funds by 2017. How will the government-run “public option” insurance company avoid turning into another Medicare basket case? And how will our senior citizens on Medicare continue to get medical services?

Finally, as a supporter of this “public option” plan, are you willing to transfer your family and your staff’s families out of the existing Federal Employees Health Benefit Plan, with its choices of many private insurers, into the new government plan? If not, why won’t it be good enough for you?

Your Congressperson will probably shake his head, smile, and say the issue is very complex, but rest assured, he’ll be down there fighting for the interests of Vermonter. At that point, engage him in small talk, while somebody goes for a rope.

Coolidge on Obamanomy: "If the government gets into business on any large scale, we soon find that the beneficiaries attempt to play a large part in the control. While in theory it is to serve the public, in practice it will be very largely serving private interests. It comes to be regarded as a species of government favor and those who are the most adroit get the larger part of it." (1928).

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Continued from Page 1

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Nutty Scheme of the Century Passes U.S. House

The closer you look at the enormous Waxman-Markey energy tax bill that passed the U.S. House on June 26, the more you come to realize what it requires you to believe, the more you realize what drastic changes it promises to impose upon America, and the more you grasp what it will cost Americans in higher prices, a crippled economy, and lost jobs, the more you – a normal person – will conclude that this is crazy, costly, and dangerous.

The whole disgraceful exercise is founded on the premise that human emissions of carbon dioxide are producing dangerous “global warming”. There are plenty of statements to this effect by Al Gore, Bill McKibben, Environment Defense, Sierra Club, the UN’s IPCC, and NASA’s eccentric climatologist James Hansen, who is urging citizens to commit civil disobedience to halt fossil fuel combustion.

The clamor of these enviro politicians is totally unsupported by real science. “Global warming” disappeared a decade ago, forcing the enviro propangandists to switch to the not-disprovable “climate change”.

Carbon dioxide produced by fossil fuel combustion is a fraction of one percent of the atmosphere. It is tiny in comparison to the most important greenhouse gas, water vapor (that fortunately can’t be taxed or regulated).

The global warming scare is based on computer models of the atmosphere that – if the operator suitably jiggers the parameters – have been made to predict startling global temperature increases in the 21st century. However the computer models are unable to reproduce the known global temperature record since 1950, they failed to predict the current cooling trend, and they predicted a upper troposphere hot spot in the tropics that clearly does not exist.

The alarmists brought out ice core studies to show that a rise in carbon dioxide concentration (caused by what?) hundreds of thousands of years ago led to higher temperatures. That fell apart when it turned out that the higher temperatures caused higher carbon dioxide concentrations (as CO2 outgassed from warmer oceans), not the other way around.

Intellectually corrupt scientists and politicians are willing to sign on to the “sky is falling” argument, because that gives them cover to get their hands on enormous money flows. The Waxman-Markey bill aims to drive up the price of fossil fuel energy to depress CO2 emissions.

The mechanism is a cap on carbon dioxide emissions from (to start with) power plants, vehicles, and energy-intensive industries.

Obama first proposed to auction off permits allowing the emission of one ton of carbon dioxide. Every utility and industry would have to buy enough permit units to stay in business. The cost of buying the permits would of course be passed on in everyone’s electricity, food, fuel and product bills. The proceeds of the government’s auction of this artificially valued funny money would fund a host of “clean energy” and “green jobs” schemes.

But as Congress labored to produce a bill, a furious big-money corporate lobbying campaign forced members to start demanding that the government initially give away the credits to their favored industries, such as coal-burning utilities. By the time the bill squeaked by to passage (219-212) with concession-bought votes, 85 percent of the initial credits were handed out free, in the name of “consumer protection”.

Of course if consumers were permanently protected against the bill’s carbon price increases, the whole point of the bill – to suppress carbon dioxide emissions – would be defeated.

The key here is that the backers were forced to make the bill relatively painless in its first few years to get it through the House. Then to pacify the restive enviros the cap will be gradually screwed down, the price of the emission credits will escalate, and consumers will be forced to pay untold billions of dollars in what amounts to new energy taxes hidden in the cost of almost everything they consume.

The bill also contains a provision, demanded by labor unions, to put an import tax on products manufactured in the Third World, whose governments have steadfastly stated that they have no intention to abide by any emissions limitation scheme, unless the developed nations transfer enough wealth to them to get them to change their mind. Even Obama balked at this, since any such import tax would trigger a trade war.

If carried out as advertised, this prodigious bill promises to reduce global temperature by a fraction of one degree F by 2100. For this, Congress is going to impose an enormous hidden tax on every American consumer, lavish benefits on countless rent-seeking special interests, launch dozens of new government spending and regulatory programs, employ thousands of new bureaucrats, promote billions of dollars in wealth transfers to Third Worlders peddling dubious carbon offsets, and drive a large part of our economy overseas?

You’re thinking, “they’ve got to be kidding.” But they’re not.
Our new CEO will arrive this month, and the Board is gearing up for a more aggressive campaign to advance EAI’s mission. With your help, we’ll continue to speak up for Vermonters who do their best to play by the rules, for businesses that create jobs and for taxpayers who pay the state’s bills (in addition to their own).

Please help us. Bring one more contributor to the Ethan Allen Institute – and make an additional contribution yourself. Without increased support, the only voices heard will be those constantly clamoring for more spend, more regulation and more taxes. The fight for freedom needs you.

– JIM GATTI, Board Chairman

Co-founding director of the Institute
John M. Mitchell will retire from the EAI Board on August 15, 2009. He sent the Board the following farewell letter:

With apologies to Gen. Washington, my hair grows grey and my eyes have gone dim in the service of our Institute, and the time has come for me to retire as a member of the Board.

When John McClaughry, the future Anne McClaughry, and I founded the Institute 16 years ago, we hoped that it would grow to have the highest per-capita membership of any free-market public policy group among the 50 states. And indeed it has, because there are still many in Vermont who yearn for liberty and a free market economy.

But alas, Vermont’s government has succumbed the siren call of European Democratic Green Socialism, and we are all becoming the poorer for it. It is difficult to resist the promise of free health care, free schools, free state forests, and the like until the Nanny State sends you the bill.

As president of the Vermont Marble Company, I struggled for 17 years to rebuild a formerly great company. As an officer of a trans-national enterprise, I worked to introduce new technology that would bring new jobs and greater wealth. That’s what we capitalists do.

We only used 300 acres of the 11,000 owned by the company, leaving the latter for hunters, snowmobilers, and hikers to use. Nevertheless, high taxes, oppressive regulation, vague laws, and unkept promises led to the eventual departure from the state of the company’s Western Hemisphere headquarters, with the concomitant loss of hundreds of jobs and millions of dollars to the Vermont economy.

This kind of state governance has caused the principal export of Vermont to be young people, the diminution of our school population by 9 percent over the past decade (with a concurrent increase in school spending of 14 percent), and soon a massive, for a state our size, budget deficit.

Since the state cannot print money, and its legislative leadership evidently wants to change Vermont from a wealth creating agricultural and industrial enterprise into a tree tapping, fudge-making green theme park, hard times are a’ coming.

Acquaintances inquire of me, “Why do you stay?” Say I, “because I want to see the train wreck.” When the deficit precipitates a trip to Washington, where like Oliver Twist, the state government holds up its bowl and asks, “More, sir?,” I want to see the headline in the paper like the one New York City woke up to when it staggered toward bankruptcy in 1975, saying, “Feds to NYC: Drop Dead.”

At that point, the sound principles, good sense and incisive analysis of the Ethan Allen Institute will be vindicated, a majority of the state’s remaining citizens will usher in a government comprised of adults, government employees will be released to find more meaningful work, and a free and creative people, unburdened by oppressive taxation, regulation, and constant threats to their liberty and property, will bring about a new era of prosperity and progress. In no small measure, they will have this Institute to thank.

As the Great Seal of our nation observes: annuit coeptis, “God has favored our undertaking.”

Cordially,
JOHN M. MITCHELL, Rutland Institute Co-founder and Director, 1993-2009

Message From the Chairman

Our new CEO will arrive this month, and the Board is gearing up for a more aggressive campaign to advance EAI’s mission. With your help, we’ll continue to speak up for Vermonters who do their best to play by the rules, for businesses that create jobs and for taxpayers who pay the state’s bills (in addition to their own).
Hypocrite of the Month:
Once again, Sen. Bernie Sanders! On July 14, in the Senate HELP Committee, proud socialist Sanders voted No on the Coburn amendment to require all Congressmen and their staffs to enroll in the Democrats’ proposed “public option” health care plan. (The amendment passed 12-11, but the Democrats will surely drop it before enactment.)

Republican chair Rob Roper asks, “if government-run health care will be as good or better than private insurance, as promised, why won’t Bernie and his fellow leftists who are selling this snake oil hop in their own program enthusiastically?” (7/22).

Farewell Punch Line: Glen A. Wright of South Hero was a CPA in Vermont for 37 years, until he gave up and moved to Florida. He concluded his farewell message to Vermonters thus: “The majority of Vermonters have become ‘takers’ from the government and the number of ‘givers’ is not only in the minority but decreasing every day.

“If Vermont continues with its current tax policy, there will soon come a time when the ‘givers’ are gone and the only ones left will the ‘takers’ who will no longer have a source of tax revenue for their taking.” (Livin’, 7/09.)

Puzzling: Why is it that liberals are so keen to have a new federal government health care program “to give competition to the private insurers”, but are so opposed to independent schools giving competition to the public school monopoly?

Because liberals worship “government”, and expanding government and crowding out any competition is their Holy Grail.

Welcome to “Public Option” Health Care: Berkshire (MA) Health Systems President David Phelps, as his hospital laid off 79 workers in June: “ Phelps said the problems at BMC were aggravated by the state’s health care reform, which has done great work to insure more patients but has enrolled them in programs that pay Medicaid-like rates. In the end, that is not enough to cover the cost of care, he said.” (Banner, 6/20/09.)

She’ll Be Coming After You… “Cynthia J. Giles was nominated to be EPA Assistant Administrator for Enforcement and Compliance Assurance. Giles is currently Vice President and Director of the Conservation Law Foundation’s Rhode Island Advocacy Center, where she has focused on state and regional advocacy to combat climate change.” (AgNet 3/23/09.)

Good Reply: Do you prefer a free-market-based health care system or a government single payer system?

“If you prize liberty and enjoy the freedoms of choice, then you go with a market-based insurance system. You go with the a government single payer system if you don’t mind when the government chooses how you will live and for how long.” (David Racer, FMHC-MN.)

Take a Hike, Kids: “This is not to say that the concern of NEA and its affiliates with closing achievement gaps, reducing dropout rates, improving teacher quality, and the like are unimportant or inappropriate. To the contrary, these are the goals that guide the work we do. But they need not and must not be achieved at the expense of due process, employee rights, and collective bargaining. That simply is too high a price to pay.”

“When all is said and done, NEA and its affiliates must never lose sight of the fact that they are unions, and what unions do first and foremost is represent their members.” (NEA General Counsel Bob Chanin, 7/6/09.)

Porkalooza: “I’m more scornful of the ["economic stimulus"] porkalooza than ever, but I’m glad now that it passed. That’s because the porkalooza “only” wastes great gobs of money. The president’s plans to nationalize health care and to impose a “cap and trade” system have serious implications for our liberty as well as our solvency.

“But because of the massive debt Mr. Obama is running up with the porkalooza, his nationalization of Chrysler and General Motors, and his proposed budget for the next fiscal year, popular enthusiasm for trillion dollar spending programs has pretty much dried up.” – Jack Kelly (TTP News 7/15/09.)

Health Care Costs: In July 16 testimony to the Senate Budget Committee, Congressional Budget Office director Douglas Elmendorf pointed out that the new national health care program under consideration by Congress “puts an additional long-term burden on top of an already unsustainable path.” He then went on to say that if Congress really wanted to control costs, they would have to reform Medicare. This thought apparently blew right by the Democrats leading the health care parade.

Vermont Legislature Passes Voucher Bill! “The state colleges shall develop a voucher program that will allow Vermont students to attend programs at a postsecondary institution other than the state college system if programs at the other institution are better academically or geographically suited to student need.” – H.441, sec. E 1100(a)(3)(C) (FY2010 appropriations bill, passed over veto).

Tough Luck, Kids: “If the government mandates that everyone must have health insurance, healthy young people will have to buy policies that don’t reflect the low risk they have of getting sick. The House and Senate bills do let insurers set premiums based on age, but only up to a 2-to-1 ratio, versus a real-world ratio of 5 to 1. This means lower prices for older (and wealthier) folks, but high prices for the young.” (John Fund, WSJ, 7/24/09.)
**NEWS & VIEWS**

**Continued From Page 6**

**Goodman on Health Care:** “All over the developed world, the political Left only knows two ways to constrain health care spending: (1) squeeze the providers and (2) deny patients care. Since they don’t believe in markets or incentives or entrepreneurship – the ways costs are controlled in other markets – there really isn’t much left to do but take it out on doctors and patients.” Health care expert John Goodman of NCPA (7/7/09).

**I Have a Bridge To Sell You:**

“More than half of the savings in the [U.S. House energy] bill comes from the inclusion of a Federal Energy Efficiency Resource Standard (EERS), which would require utilities to reduce electricity demand by 15 percent and natural gas demand by 10 percent by 2020. [Or else what?] This provision alone will create 222,000 net jobs… and is a key policy for achieving the savings possible from energy efficiency.” (ACEEE, 4/21/09.)

Uhh, 219,000 of the new jobs created are likely to be bureaucrats regulating energy production and consumption.

**Let’s Not Go There:** “Follow this path [toward more government], and we’ll transfer our entrepreneurial capitalist economy into European-style socialism: where the majority of people pay little or no taxes but become dependent on government benefits. Where tax cuts are impossible because more people have a stake in the welfare state than in free enterprise. Where the spirit of risk taking is smothered by an all-providing government.”

“In plain language, citizens who had governed themselves will become mere subjects of the state — more concerned about security than liberty. Once we reach this tipping point, the friends of freedom will be reduced to near silence. Whatever you may call that kind of government, it will not be democracy.” — Rep. Paul Ryan (R-WI). (CPAC, 2/26/09.)

**Why Are We Cheering Again?**

“I’m reliably informed that at the NEA board of directors meeting immediately preceding the representative assembly in San Diego, the Indiana contingent was given a standing ovation.

“Let’s see: They’ve driven the union into a multi-million dollar debt, failed to notice their insurance trust was being bled dry, fell under national trusteeship, threatened to kick 650 disabled teachers into the street, laid off one-quarter of the staff, put their headquarters building up for sale, watched charter school caps lifted, and failed to block a tuition tax credit for private school students” — Mike Antonucci, EIA (7/14/09).

**Book Review:**

One of the most influential books I ever read (c. 1965) was Arthur J. Ekirch Jr., *The Decline of American Liberalism* (1955). It relates how, beginning in the early 19th century, collectivism began to erode the liberalism of the Founding Fathers. One can only imagine what Prof. Ekirch would say about the Obama budget, energy, and health policies. — JMc.

The book has just been reprinted (again) by the Independent Institute. You can get it at www.independent.org/store.

**EAI Web Update**

Take a look at EAI’s redesigned web site at www.ethanallen.org. A lot of decade-old commentaries have been removed as no longer relevant and webmaster Stephen Pitman has made use of slick new graphics. It continues to be a very good source for analysis of Vermont issues in the 21st Century.

While you’re on the web, be sure to visit www.vermonttiger.com, the blog page of Geoff Norman, Art Woolf, Emerson Lynn, and others well worth listening to.

 — JMc

**Good Advice From the Law School Dean**

“Vermont’s tax structure is currently designed to repel those individuals who can have the most positive financial impact on the economy of the state — well to do retirees and entrepreneurial, well-educated business people.”

“The facts are starkly clear. Vermont has an unsustainable tax structure. Attracting and holding the individuals and businesses we need for a vibrant economy will require an adjustment back to the situation Vermont had a dozen years ago. Then we ranked 24th out of 50 in terms of tax burden. Vermont was attractive, not repelling those we need to thrive.” — Geoffrey R. Shields, President and Dean, Vermont Law School (BFP 7/12/09).

While we’re busy fixing the broken tax system, it would be helpful if Dean Shields would rein in the enviro extremists on his own faculty, who delight in mobilizing their students to bring anti-growth law suits. — JMc

The Ethan Allen Institute
August 2009

INSIDE:

- Twelve Health Care Questions ............ 1
- Nutty Scheme of the Century ............. 4
- John M. Mitchell Re-retires ............. 5
- News & Views ............. 6

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A comic titled "Wizard of F.D." parodying an election speech.