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Hillarycare revisited

By Ralph R. Reiland

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During Hillary Clinton's 1993 visit to Capitol Hill to testify about her proposed health-care plan, she was asked by Virginia Rep. Norman Sisisky what could be done to ease the burden of the plan's mandates on small businesses.

The former first lady responded in her best let-'em-eat-cake style: "I can't go out and save every undercapitalized entrepreneur in America."

That it was precisely her plan that could cause an otherwise sufficiently-capitalized entrepreneur to become "undercapitalized" wasn't acknowledged by Mrs. Clinton.

The message from central planning, from Hillary and her 500 hand-picked health-care advisers, was loud and clear: Go out of business if you can't pay for our vision.

Reported Time magazine at the time in "Prognosis: Fewer jobs": President "Clinton has publicly stated that health-care reform will 'boost job creation,' a claim that unnerves many of his advisers. What they know -- and some of them fear Clinton has not been told -- is that the administration's own preliminary computer-aided studies of the 'employment effects' of health reform predict 'significant' job losses."

From various quarters, the projected amount of job destruction wasn't small. "Time has learned that according to one computer run, the plan would slow net employment growth by as many as 1 million jobs over the next five years. The National Federation of Independent Business, the nation's largest small-business organization, has estimated that 1.6 million jobs will be lost over five years. A new study, financed by restaurant owners, forecasts losses of 3.1 million."

From inside the White House, more optimistically, Laura Tyson, the administration's chair of the Council of Economic Advisers, estimated employment losses from Mrs. Clinton's employer mandate at one half of 1 percent of the labor force, or roughly 600,000 jobs.

And Hillary Clinton's reaction to these warnings of job losses? "She has waved off warnings of job losses as the propaganda of greedy business interests," reported Time.

In other words, it's business that's wrong, not her plan. It's the private sector

that's flawed, not the public sector.

Not unlike the rosy projections on Iraq that came from the current administration in the White House prior to the U.S. invasion of Baghdad, Bill Clinton and "his top health-care strategist, Ira Magaziner, have been selling health-care reform as a four-course free lunch," Time reported. "Everyone will be covered. It wouldn't require new taxes. It will immediately boost job creation. And it will immediately reduce the federal deficit."

The employer mandate in the Clinton "Health Security Act," a 1,342-page bill, required all employers to pay a minimum of 80 percent of the cost of the government's health benefits package, with initial costs ranging from 3.5 percent to 7.9 percent of payroll, depending on the size of the company.

That the 7.9 percent cap would stick is doubtful, given the long record by politicians of low-balling costs and exaggerating benefits in order to sell their proposals.

President Bush announced in 2003, for instance, that it would cost "up to \$400 billion" over 10 years to add prescription drug coverage to Medicare. "Senior officials in his administration suppressed estimates by chief Medicare actuary Richard Foster that projected the leading bills before Congress would exceed that amount by as much as \$200 billion," reported Michael F. Cannon, director of health policy studies at the Cato Institute.

More than costly, Hillary Clinton's health-care plan advocated a giant step toward top-down, centralized planning. As she explained, "It's time to put the common good, the national interest, ahead of individuals."

Putting individuals in the back seat meant more government. "Not since Franklin Roosevelt's War Production Board," said The Economist magazine, "has it been suggested that so large a part of the American economy should be brought under government control."

The plan would have "created at least 200 regional alliances, staffed by more than 50,000 bureaucrats," reported Grace-Marie Arnett, president of the Galen Institute, a national health policy organization. "The whole scheme would have been enforced with a plethora of fines, penalties and jail terms for physicians and their patients."

On the whole, what we got from Hillary Clinton in her first shot at power in the White House was coercive, arrogant and amateurish.

And now? "We're going to have universal health care when I'm president," she says. "There's no doubt about that." And the job losses and those she drives out of business? So far, no comment.

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