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Federal muzzles won't silence bad news

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10.17.10 - 11:15 am

RECENTLY many major health insurance carriers announced that, due to added mandatory benefits from ObamaCare, they are raising their insurance premiums.

This situation seems self-explanatory: If you want extra benefits, then it costs you more money. When you buy a car, if you want leather instead of cloth seats, you pay a premium.

Insurance is no different than any other product. When the government forces companies to offer more deluxe packages, higher prices inevitably follow.

Under ObamaCare, there are certain “basic” benefits that every health plan is required to offer, including pediatric, maternity and substance abuse services. Besides the fact that a single male in his mid-20s might not desire or need maternity services, it is a “basic.” The bill allows the Secretary of Health and Human Services to create a list of health benefits that the secretary deems necessary, as long as the original “basics” are included.

WHILE NO rational person would be surprised when added benefits cause added costs, it seems the Obama Administration was surprised by this phenomenon.

On Sept. 9, HHS Secretary Kathleen Sebelius issued a letter to health insurers, putting them on notice that “there will be zero tolerance for this type of misinformation and unjustified rate increases.” Reminiscent of Teamster intimidation in movies, this action should be wholly rejected by the American people for three reasons.

First, this response highlights a clear determination of the Obama administration to exert as much federal authority over the states as possible. Check this section of Sebelius’ letter to the health insurers:

Later this fall, we will issue a regulation that will require state or federal review of all potentially unreasonable rate increases filed by health insurers, with the justification for increases posted publicly for consumers and employers. We will also keep track of insurers with a record of unjustified rate increases: those plans may be excluded from health insurance Exchanges in 2014. (emphasis mine)

THE MESSAGE for states is that even if you go through all the headache and expense of setting up a state-run health insurance, it won’t be state-run. The federal government itself will arbitrarily decide which companies can and which companies cannot be included in the Exchange.

Furthermore, the states should have the authority to regulate insurance. Considering the Constitution grants federal authority over interstate trade, until health insurance is sold across state lines the feds should have no jurisdiction to regulate rates, much less set them.

Second, this shows an inability of the federal government to acknowledge reality over politics. Of the nine mandates listed by Sebelius, some will have little cost impact, but that is not true of all. Karen Ignagni, president of America’s Health Insurance Plans, stated the obvious: “Anytime you add a benefit, there are increased costs.”

THIS FACT should have been brought up in the debates on the floor of the House and Senate, or in the conference committee. Unfortunately, it was not because ObamaCare was largely a partisan power play, not real domestic policy.

Third, this price fixing and intimidation is one of many deliberate exertions of federal authority into private enterprise by the Obama Administration, especially affecting Texas. We have seen the federal government attempt to take over Texas’ energy industry through unconstitutional EPA regulations; destroy offshore drilling through a moratorium; and through ObamaCare, stop the growth of physician-owned hospitals, disproportionately located in Texas.

Instead of strong-arm tactics to lower the cost of health, the federal government should employ the free market where individuals can choose the insurance coverage they need and want. It has worked in every other sector of our economy to lower costs and improve quality, and it would work in health care.

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