

(Read and download) Empowering Health Care Consumers through Tax Reform

# Empowering Health Care Consumers through Tax Reform

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**From University of Michigan Press : Empowering Health Care Consumers through Tax Reform** before purchasing it in order to gauge whether or not it would be worth my time, and all praised Empowering Health Care Consumers through Tax Reform:

8 of 8 people found the following review helpful. No Demagoguery, Just Common-Sense Solutions By Todd Winer Health care reform has been a prominent issue in this year's presidential election and will be a top priority for the next administration. In spite of the campaign rhetoric, however, a political consensus armed with concrete solutions has remained elusive. The largest push for health care reform has come from liberal Democrats. They claim that working Americans fork over too much money to a health care system that is low in quality and leaves too many out in the cold. To some extent, these critics are correct. Health care costs have been surging for years and there is a disturbing number of Americans who do not have insurance. These trends are especially alarming with the graying of the Baby Boom generation. Unfortunately, the shortcomings of our health system have become an excuse for more government intervention in the economy. Nearly all of the reform proposals in Washington insist on tighter government control over an industry which wields the power of life and death - literally. The new power would then rest in bureaucracies possessing the compassion of the IRS and the efficiency of the post office. For those Americans who support reform but suspect the ability of Washington, this book will raise your conscience and offer real solutions. The theme is that shortcomings in our health care system do not imply that the private sector can not work in this part of the economy. The authors point out that, surprisingly, the private market has never been given a chance to work here. Health care is actually the most regulated industry in America. The authors suggest that instead of

imposing more regulation and adding more levels of bureaucracy, policymakers should take a more original approach. They recommend reforming the tax code by injecting an ounce of capitalism and a pound of reality to the system. One specific reform would be to eliminate the peculiar rule that employer contributions to group health insurance doesn't count as taxable income for employees. This tax ruling, an historical accident arising out of World War II, has created a strong incentive for the private health insurance market to be organized around employment-based groups. This preference, according to the authors, is at the root of the many of our problems. The policy distorts the health care marketplace. It undermines cost consciousness by disguising the true cost of medical care. Insufficient health care is subsidized. Further, the current law discriminates against the self-employed, the unemployed, and those whose employers don't offer health insurance. This subsidy, worth close to \$100 billion a year, is highly regressive: It provides a generous subsidy for the chief executive of a company and little for a young couple struggling to make ends meet. The authors suggest that the \$100 billion should be returned immediately to citizens in the form of a tax credit, deduction, or voucher for purchasing health insurance. By giving consumers more direct control over their health coverage, it would enable them to force change through the market rather through the political system. This reform would give individuals more choice and create new incentives for a consumer-driven market that is more efficient and more dignified. Of course, eliminating the employer subsidy and other reforms aren't a panacea. There are trade-offs involved; some Americans may lose privileges while others gain. But the authors are confident that these policy reforms would cut costs and increase coverage while also removing Washington from another area where it doesn't belong. Clearly, public education is needed. The stalemate over the issue will not continue indefinitely. Either Washington will create more meddlesome and burdensome federal health programs or it will fix the distortions in the private market, as advocated in this book. In this life-and-death matter, the political judgement is much in doubt.

For decades, policymakers at all levels of government have struggled to meet citizens' demands to contain the costs of health care, expand access to coverage and services, and maintain quality. Legislators' efforts to fix the current system have produced many counter-productive responses. Consumers have little freedom and few choices in purchasing health care. Empowering Health Care Consumers through Tax Reform offers a solution to this problem by proposing a system that provides a dynamic and competitive marketplace in which consumers make their own health care decisions. This book examines the option created by the intersection of health policy and tax reform.