

## Special Edition National Health Care

I have been inundated with telephone calls from customers responding to both sides of the health care debate; obviously, as an analyst, I can't take sides with either party. There are pros and cons to both sides of the debate. I deal in statistics and this is what I know. The government wants to overhaul our health care system because they believe that the mass population does not have adequate health insurance protection.

However, implementing a change costs money. Therefore;

- The administration plans on having budget cuts totaling \$500 billion in Medicare and Medicaid.
- The cost over 10 years to put into effect a "revised health care program" will cost approximately \$1.5 trillion.
- The government plans on funding this cost by taxing individuals, \$544 billion over the next decade.
- By increasing taxes to businesses by \$37 billion, and;
- By charging penalties paid by individual employers who don't obtain coverage, to the cost of another \$200 billion.

Apparently, the lawmakers are making decisions that they feel are in our best interest. However, who's monitoring the lawmaker's health care costs? The government? The interesting part of this problem is that if the government makes a mistake, the law makers won't suffer – only the American people will suffer.

For example, did you know that there are 10 different health insurance programs available to members of Congress?

- There are HMO's that provide care in each state.
- There is a special treatment program at Bethesda Naval Medical Center and Walter Reed Army Medical Center.
- For an extra \$300 (for the house) or \$600 (for the senate) per month, lawmakers have access to a Capitol Hill team of doctors, nurses and other medical personnel.
- 70% of the premium costs are paid for by the American tax payer – that's you and me!
- Coverage is regardless of a pre-existing condition.
- There is no waiting period.
- Utilizing a Blue Cross Blue Shield plan, favored by the majority of federal employees, a vast array of medical, dental and vision benefits are included with a \$20 co-pay.
- General prescriptions are \$10 and immunizations are free.

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National Health Care



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**All in all, tax payers spent about \$15 billion, last year, to insure 8.5 million federal workers, and their dependents, including postal insurance employees.**

**Now, there are generous health plans available in the private industry, but the federal governments coverage by far surpasses that enjoyed by 70 million Americans, who are under insured, and are at financial risk, in the event of a major health care crisis** – not to mention, the estimated 46 million who have no medical coverage at all.

**What I find interesting is; law makers want to charge businesses and the wealthy for the masses; these are the same lawmakers that are charging the average tax payer for the lawmakers' health insurance.** The plan most favored by federal workers is BCBS, which covers a family for about \$1,030 a month;

- **Tax payers pay \$700, and;**
- **The law makers pay the rest;**

**What's wrong with this scenario?**

**Federal employees also enjoy a significant benefit denied the average American----no pre-existing conditions!**

- **Once hired, federal workers are eligible for medical coverage regardless of their health, and;**
- **There is no waiting period.**

**If Congress wants to over haul medical insurance for Americans, then they should include themselves.** Why in the world do tax payers have to pay \$700 or 70% of law maker's health insurance premiums when the economy is in the toilet?

**Since Congress wants to overhaul the health care system, they should start with their own programs.** As average Americans;

- **We don't have 10 health plan choices with access to doctors nationwide;**
- **We don't have the ability to have someone pay 70% of our health insurance premiums, and;**
- **Small businesses, certainly, cannot afford the type of medical costs proposed by Congress – particularly the trucking industry.**

**At the same time, when reviewing the government's track record, they loaned billions to businesses to bail them out.**

- **The banks that borrowed federal money and received bail out money from the government paid bonuses to their employees;**
- **The bonuses were staggering.**
- **They were upsetting to the American public, but;**
- **When the government loaned the money, there were no strings attached;**

**Doesn't that say something?**

**The federal government wants to set mandatory requirements for executive compensation for bankers, stock brokers and financial analysts;**

- **I think that's prudent, and;**
- **I think that compensation should be based on performance.**

**The question is, if the government is going to do that to private industries, why doesn't the government do that for law makers?**

- Why not reduce the salaries of law makers in the House and Senate?
- **Pay them a bonus based upon performance?**

**Doesn't that seem fair?**

**It's very difficult to take sides, because these are such sensitive issues, but it's also very difficult not to look at past performance and not make a comment.**

**My observation is:**

- The government keeps creating debt.
- They keep increasing taxes.
- They will continue to increase taxes to small - medium size businesses;
- Tax people that generate wealth.
- **People that generate wealth create jobs.**

**How are increased taxes going to solve the unemployment problem?**

- How can the government solve America's health insurance problems, if they don't make it mandatory that all people participate, including the government?

**These are interesting federal statistics and in times that are challenging that need to be responded.**

**It's important to understand that throughout government's history, they've certainly made mistakes.** I certainly don't believe the government did it intentionally. Nevertheless, it did have a catastrophic affect to our economy.

**Recently, there was an article in USA Today, that I'm sure many of you read.** It was slanted, to drive home a point, but the article did bring up some interesting statistics;

1. **Jimmy Carter pushed for and signed in to law the Community Reinvestment Act, which forced banks to lower their standards, so that previously, unqualified people, could obtain a mortgage.**
  2. **Bill Clinton doubled down on the Community Reinvestment Act and greatly lowered mortgage standards to allow more unqualified buyers to obtain loans.**
- **The government intimidated banks with legal action if they did not provide loans to the general community for mortgages. The end result---the housing market collapsed.**
  - **Fannie Mae bought up the majority of the bad loans made by banks and we now know what the problem is with Fannie Mae. All of these loans caused the American public substantial financial hardships.**

**So, if we enact new health mandates, we must understand it can directly impact our financial future.** Did the government create the problems single handedly? Of course not. My point, we can't keep responding to public opinion, without looking at all the possibilities and financial ramifications.

**Health insurance is a critical issue. There are many Americans that are not insured. However, there are many responsible ways to provide health insurance to the majority without penalizing businesses. They're having a hard enough time surviving very difficult economic challenges. Let's start by charging all the politicians for their health insurance coverage.** They haven't suffered financially, in their paychecks, like most Americans. **We could save \$15.0 billion dollars a year if government law makers paid their own health insurance premiums.** That's a start!

QUOTE OF THE WEEK: **“Creative thinking yields rewards”.**