



Affordable Health Care?

By Aaron Crowley

As the economy continues to teeter between recovery and collapse and demand for granite counter tops remains tepid at best, Washington DC lawmakers have concluded we don't have enough challenges. With characteristic arrogance, they are attempting to solve a societal problem, and they want us, American Business Owners to pick up the tab.

If you're not already providing health insurance for your fabricators and installers, you will be required to or face a stiff penalty instead. If you are already providing it, you may find yourself with an expense your competitors don't have, if they choose to incur the penalty and move their employees onto the government's plan.

This is a problem in the short term, but this is a disaster in the long term because the stated goal of this reform, lowering health care costs, will never be achieved.

When governments artificially increases demand for any product or service, the cost goes up. It always...ALWAYS...ALWAYS goes up. And as the costs explode, we as business owners will be on the hook to pony up.

It happened during the housing boom. Government agencies, Freddie and Fannie, were required to make loans to folks who under any other circumstance would have never qualified for a mortgage and the Feds kept interest rates down, making easy money available for everyone else. What happened? Demand for housing increased faster than the supply and the cost for a home went up.

It happened with the Cash for Clunkers program. As the car buyers rushed to take advantage of the \$4000 subsidy, dealers raised their prices accordingly. In the end the cars were still less expensive than they otherwise would have been, but nonetheless, the price went up.

This dynamic has affected higher education too. In the interest of making a college degree a God given right for any American who wants one, the government has offered ever more generous subsidies and financing for students to pursue them. What has been the result? Skyrocketing costs for college, to the point that in some cases, one's income in some fields and professions is insufficient to pay back the loans that made acquiring the degree possible.

Now we can argue whether increased home and automobile ownership and

college attendance is a good or bad thing. But what can not be argued is that subsidizing those products (whether directly or indirectly) helps to make them more expensive...vastly more expensive than they would have otherwise been.

That brings us to the massive health care bill, HR 3200 - the "Affordable" Health Care act of 2009, passed late on a Saturday night in the US House of Representatives.

Forget the morality and good intentions. Forget the fact that had 3 out of 435 congressmen voted differently the bill would have failed. Forget the trillions of dollars of unsustainable debt. And forget the question of whether or not the government can successfully oversee, manage, or administer "health care" for 300 million American citizens.

The real question is whether the cost of health care is going to go up or down if this bill passes in the Senate.

To answer that question, let's establish a few simple facts, then draw an equally simple conclusion.

Fact #1 – Small business owners will be required to provide health insurance for their employees - increasing demand.

Fact #2 - Those with out employer paid health insurance will be required, by law, to purchase it or move to a government plan - increasing demand

Fact #3 - People will overuse a service they perceive to be free or paid for by someone else - increasing demand.

Conclusion: This bill does not and can not make health care more "affordable" because it has artificially increased the demand for a service without addressing the creation of additional supply. Because more people will be seeking care (regardless of who is paying for it) the inevitable result will be higher costs for care, not lower.

Morality compels us to seek ways to ensure our fellow citizens have access to affordable, quality health care and that the most vulnerable among us are cared for and comforted.

Reality and history requires us to face the fact that government subsidies (and mandates) rarely achieve such lofty goals.

If the idea that the people who have run Social Security to the brink of insolvency want to take over and manage 1/6 of our economy, I encourage you...no, I beg you to contact your two state senators to urge them to vote no on this bill...

For the sake of your fabrication company, for the sake of our economy...for the sake of our country.

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