

An Insider's View of the Medical Insurance Mess and the Supreme Court Case

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In the late 1980s, among other responsibilities, I was a corporate executive in charge of employee health and retirement plans for a large corporation. It was a lucrative job. It also was very harmful in the long run to employees and the nation as a whole.

I began asking myself why my employer and employers across the land were sticking their noses into one of the most private aspects of people's lives: their medical problems. I also wondered why Americans' medical insurance was tied to their employment, and thus was something they would lose if they lost their jobs, changed employers, or went to work for themselves.

The answers, I found, were spelled g-o-v-e-r-n-m-e-n-t. Decades of misguided government policies and diktats had essentially destroyed the consumer market in medical insurance/care.

I also found that no one else in my profession was asking these important questions. The questions weren't asked in professional journals, at professional conferences, or in the business press in general. Everyone seemed to be happy collecting big salaries and harming people while pretending they were doing something good for people. (It's a similar story with corporate 401(k) plans.)

Sadly, this had become a very common story in scores of other professions as well. With the explosive growth of the regulatory state, millions of well-paid Americans of all political persuasions have become adjuncts of the regulatory state and hold lucrative jobs in which they harm people while pretending they are doing something good for people.¹ The human ability to rationalize has no bounds.

Of course, if there were no money to be made by educated elites during the decline of nations, nations might be capable of pulling out of their dives before it's too late.

Not able to reconcile my internal conflicts, I quit my lucrative job, wrote a book on the bureaucratic mindset,² which was published by a major publisher of business books, and started a consultancy in strategic planning and organizational rejuvenation.

In 1997 *The Wall Street Journal* published a lengthy commentary of mine³ on the problems of employer-provided medical insurance, one of seven commentaries^{4,9} of mine that the *Journal* eventually would publish. It summarized my research into how medical insurance/care had become linked to employment, how this would become an albatross to corporations if it weren't de-linked, how it was driving up prices for medical care/insurance, how it was gaming the tax system to the benefit of the higher-paid, and how this mess could be fixed for the benefit of companies, people, and the nation as a whole without resorting to a coercive system of nationalized medical insurance/care.

Only one company, one of the five largest companies in the country, got in touch with me about the piece. Apparently, no other company had grasped the strategic importance of the issue, and no other member of my profession wanted to talk about it and risk upsetting the profession's regulatory rice bowl.

I then went on the lecture circuit to speak about the problems and to work behind the scenes with the aforementioned company to try to persuade influential members of Congress to sponsor legislation to begin fixing the problems. I might as well have beaten my head with a hammer. I had to learn the hard way that it's foolish to try to fix political problems before they become a crisis. However, I did continue to write commentaries on the subject for mainstream and specialized publications, including in my former newspaper column.

One of my constant themes was very unpopular with the masses. It was a statement of the obvious: that the masses complain about the cost of medical insurance/care while they spend huge sums on cars that are bigger and fancier than they need for basic transportation; on houses that are bigger and fancier than they need for basic shelter and comfort; on home-cooked or restaurant meals that are way too big and expensive and unhealthy; and on lottery tickets, trips to casinos, tickets to sports venues, six-dollar drinks at sports bars, four-dollar milkshakes masquerading as coffee at Starbucks, smartphones with unlimited usage plans, and on the bills for the revolving credit to pay for all of this.

Yes, medical insurance/care is more expensive than it would be if there were a true consumer market for it, but a consumer market would necessitate that people cut their spending on other items so that they can save money for infirmities and old age instead of playing the lose-lose game of trying to shift the cost to employers, Medicare, Medicaid, SSI, KidCare—or in other words, to their neighbors and to future generations. Until Americans face this reality, it won't matter whether "ObamaCare" is upheld or not, for either way, the unwillingness of Americans to pay the full cost of their medical care/insurance is going to bankrupt the nation, albeit sooner with "ObamaCare."

There I go again beating my head with a hammer. I hope that someone else will pay for my injuries.

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