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Some Lawmakers Say Obama's Health Care Plan Could Lead to Rationing

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By Josiah Ryan, Staff Writer

(CNSNews.com) - Lawmakers from both sides of the aisle told CNSNews.com on Tuesday that they do not know how President Obama will come up with the \$634 billion allocated in his 2010 budget to lay the foundation for health care reform that could lead the country towards a single-payer system.

Furthermore, Republicans and one Democrat said the “efficiencies” Obama wants to instill in the health care industry to apparently generate revenue to fund his plan, will lead to “rationing” of health care.

Obama revealed the first step of his plan in late February as a \$634 billion “reserve fund,” included in his \$3.67 trillion budget proposal for 2010. The first step claims it would, among other things, reduce the cost of health care and health care premiums across the nation, and place the United States on a “clear path” to universal health care.

Obama’s plan claims it will pay for itself by “new revenue and savings proposals that promote efficiency and accountability, align incentives towards quality, and encourage shared responsibility,” according to the Office of Management and Budget(OMB) Web site.

“There is a question about whether all those efficiency [steps] -- over ten years -- you have to make sure that those indeed happen,” Sen. Ben Nelson (D-Neb.) told CNSNews.com. “It won’t be level. There will probably be more [savings] later because it will take time for these efficiencies to get going. So in the meantime there is going to have to be another funding mechanism.”

But Nelson said he did not know what that mechanism would be.

“I don’t know,” Nelson told CNSNews.com. “There are various funding opportunities but we just have to take a look at that because I haven’t seen the answer for it yet.”

“You will have to ask the Finance Committee about that because that it is not in my jurisdiction,” Sen. Daniel Inouye (D-Hawaii) told CNSNews.com. “I am not trying get away from that. It’s just not an easy question to answer because, first of all, even with a minority like the Republicans, the tactics that they have been employing in recent days suggest to me that they are against everything, including health care reform.”

Sen. Judd Gregg (R-N.H.), who did not accept Obama’s nomination to fill the secretary of Commerce post earlier this year, said he does not know how Obama plans to fund the reform. But Gregg said he does not think further spending is necessary.

“I don’t know how he is going to do that,” said Gregg, in reference to the funding. “He [Obama] didn’t explain

that. I have no idea. I don't know how he plans to do that. We don't need to do that to begin with."

"We can basically get there without increasing the cost of health care generally because we are already spending more than any other society in the world on health care," Gregg told CNSNews.com.

Meanwhile, lawmakers expressed concern that Obama's plan to pay for reform by "creating efficiencies" in the system would lead to the rationing of health care.

"I do share that concern [on rationing] and that's why I oppose any expansion of the federal government's role as a provider of health insurance coverage," House GOP Conference Chairman Mike Pence (R-Ind.) told CNSNews.com. "That ultimately can set us on the pathway to socialized medicine in this country and rationing is a natural product of socialized medicine."

But administration officials have argued that waste currently in the health care industry, if eliminated, should provide enough savings to fund the \$634-billion health care reform.

"We seem to have as much as \$700 billion a year in health care tests and services that are not necessary ... and just add to costs ... without making anyone healthier," OMB Director Peter Orszag told reporters during a Feb 26. press conference to unveil the president's budget.

According to the OMB's Web site, these savings, which Orszag calls "game changing efficiencies," are achieved by "aligning incentives toward quality, promoting efficiency and accountability, and encouraging shared responsibility."

But Nelson said that efficiencies can be created without rationing.

"Yes, it's a concern that we not have that [rationing] happen," said Nelson, "but I don't know that there is an automatic causal connection to it. But it's something to be watchful for."

Sen. Frank Lautenberg (D-N.J.), however, said he does not think in terms of rationing and said he thinks there is no danger that the president's plan will lead to rationing.

"I don't think in those terms [rationing]," Lautenberg told CNSNews.com. "The answer is no, I don't think so."

But Rep. Paul Ryan (R-Wisc.), the ranking Republican on the House Committee on the Budget, told reporters last month that he thinks that if Obama's plan is enacted, it will only save money through the rationing of health care rather than through gaining efficiency.

"If you're going to quantify [savings] with certainty, that means you feel you're going to ration with certainty," said Ryan.

“How do they propose to go about doing this?” asked Ryan. “Do they propose to set up a system where the government is in the nucleus of our health care system, where the government is telling providers -- physicians -- how to practice medicine?”

According the OMB’s Web site, the purpose of the “reserve fund” is to make a “down payment on health care reform” to be distributed over 10 years to “finance fundamental reform of our health care system to bring down costs and expand coverage.”

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