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## Edwardscore: A Trojan Horse

The health-care primary, Part 2.

By Timothy Noah

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In the money primary, Barack Obama and Hillary Clinton may be [way out in front](#), but in the health-care primary, John Edwards is the candidate to beat. *New York Times* columnist Paul Krugman—whose March 2006 essay in the *New York Review of Books*, "[The Health Care Crisis and What To Do About It](#)," provides the most cogent explanation I know of how the current health-care debate falls short (if you haven't read it, please *do so immediately*)—gave Edwards' health-care plan his blessing in a February 2007 column, "[Edwards Gets It Right](#)." When the Democratic presidential candidates gathered in Las Vegas in March to debate health care, Marc Cooper of *The Nation* [identified Edwards](#) as the standout, at least among [top-tier candidates](#). (The only candidate who truly steps up to the plate on nationalizing health care is Dennis Kucinich, who—in case you're wondering—is not going to get the nomination.) William F. Buckley has [singled out Edwards' plan for attack](#), which further burnishes its pedigree. Edwards has positioned himself to the left of the other major contenders for the Democratic nomination, which is a liability in many ways. But when it comes to health care, it is only an asset. As I've noted before, this is one debate that [needs to shift leftward](#), and a [Michael Moore documentary](#) won't be enough to do the job.

How does the Edwards plan measure up by the Health Care Primary yardsticks? Read on.

**Candidate:** [John Edwards](#).

**Elegance:** His coiffure's a bit overdone (would somebody [please](#) muzzle his stylist?), but let's remember this category refers to the plan, not the man. Edwards' health-care proposal (to read it, click [here](#)) is superficially complex, because it includes many components. This is widely and incorrectly regarded as an advantage. In March, the *Washington Post*'s Christopher Lee [wrote](#) that Edwards had "the most detailed position." That laurel subsequently passed to [Obama's plan](#), at least if you measured by page length ([15 pages](#) to Edwards' seven). Edwards, not to be bested, then produced a [revised description of his plan](#), with details on cost savings, which ran 27 pages. It was the wrong fight. What mattered wasn't whether Edwards' plan was multifaceted, but rather whether its parts worked in harmony. They do. To learn why, proceed to "market gimmicks."

**Market gimmicks:** The main one is creation of regional "health markets" in which insurers, if they wish to compete, must provide certain "comprehensive" benefits. Consumers, to be eligible, must be able to demonstrate either that they receive no health insurance through their employer, Medicare, or Medicaid, or that the coverage they receive from their employer is inferior to the coverage offered in the health markets. Why many regional health markets rather than one big national one like Obama's [National Health Insurance Exchange](#)? Edwards doesn't say, but I presume it's to provide multiple laboratories of democracy.

Why laboratories? Because in each of these health markets, an experiment would be conducted. The experiment would be whether the private health-insurance plans could compete effectively with "a public insurance plan modeled after Medicare, but separate and apart from it." What could be more market-minded than a competition between private and public health insurance? We wouldn't need to argue about which was better. We could watch and find out! The reason this is a gimmick is that the outcome would be a foregone conclusion. Everything we know about how Medicare and Medicaid

stack up against private insurers tells us that the public plan would win. Edwards is aware of this. "Over time, the system may evolve toward a single-payer approach if individuals and businesses prefer the public plan," reads the plan [overview](#). Strike *may* and substitute *will*, strike *if* and substitute *when*. In the current political environment, nobody is willing to believe that the government can deliver health care with greater efficiency than the market. Edwards has therefore undertaken to prove it over and over in one regional health market after another. It's what parenting handbooks call a "teachable moment."

**Susceptibility to the insurance lobby:** Edwards' health-care markets are less susceptible to being gummed up by the insurance lobby than Obama's National Health Insurance Exchange. That's because if health insurers persuaded Congress to loosen the rules about what they had to cover, they'd only be making their plans even *less* able to compete with the new public insurance plan. They'd have to persuade Congress to *forbid* the public plan to be more generous than the private ones, which would not be a terribly popular thing to do. Other parts of Edwards' plan would be easier to undo. For example, "Edwards will require insurers to keep plans open to everyone and charge fair premiums, regardless of preexisting conditions, medical history, age, job, and other characteristics." Well, maybe he will and maybe he won't. Insurers would do their best to water down any such regulations. But it probably wouldn't matter, because businesses would see the creation of health-care markets as an occasion to dump all health-care obligations to employees, and pretty soon just about everyone would be eligible to participate in the health-care markets, where, again, it would be suicide for private insurance companies to be stingy with benefits.

**Cost:** Edwards will bend your ear about how much his plan will save in wasteful health-care spending (\$130 billion a year, he claims), but he's pretty circumspect about what this plan will cost U.S. taxpayers. I see no cost numbers at all in the two detailed proposals on his campaign Web site. On the stump, Edwards has been saying he would pay for the plan by canceling the enacted Bush tax cuts for families earning more than \$200,000. How much would that raise? Well, Obama would pay for *his* health care plan by canceling the tax cuts for families earning more than \$250,000 (which may reflect that Obama's supporters are wealthier than Edwards'; they're certainly [more generous](#)). Obama's campaign says that would raise between \$50 billion and \$65 billion. By that reckoning, Edwards' cancellation ought to raise more like \$100 billion. My guess is that's too little to pay for Edwardscare, but I don't honestly know.

**How universal?** Waaaay universal. Everyone would be required to participate. The candidates compete with one another over whose plan is more "universal," but nobody ever explains how you "require" someone to purchase health insurance. This is one of the many virtues of a straight-up socialized-medicine scheme. If we had national health care, you wouldn't *have* to enroll in a plan. You'd automatically be enrolled if you were a citizen, and probably even if you weren't. Edwards' universality scheme, by contrast, summons for me the mental image of a housing project surrounded by police snipers and maybe a chopper or two. *We know you're in there. Come out and sign this damned insurance policy! Nobody has to get hurt!*

**How socialistic?** As I explained above, the "health markets" component is a Trojan horse (a very elegant one) to replace existing private health insurance with government funding. That's what I like about it. Obama's plan has a Trojan horse, too, a public health-care plan limited, as Edwards' is, to people who do not receive health insurance, or adequate health insurance, through their employers. In both instances I think the mere creation of these programs would create a stampede by companies to stop insuring their employees. For some reason, Obama's senior economist, Austan Goolsbee, [chooses not to believe this](#) about Obamacare, possibly because he figures the private-but-regulated health-care plans in Obama's National Health Insurance Exchange would be more generous than Obama's public health-care plan. (It's not clear to me that anyone in Obama's campaign has thought this through.) Edwards' "health markets" should be less susceptible to this sort of unraveling because the *whole idea* would be to set up a competition between public and private plans, and how could government compete if it were forced to limit what benefits it offered?

**How disciplined?** Not very. As I've explained before, the best way to limit medical inflation would be

to end fee-for-service medicine and put all doctors on salary. Ending fee-for-service payments would eliminate the incentive doctors now have to perform unnecessary tests and procedures. Unfortunately, not even Kucinich is ready to take this on. But Edwards does endorse "evidence-based medicine" (i.e., greater uniformity in treatment methods), acceleration of the shift to electronic medical records, and allowing Medicare to negotiate what it will pay for pharmaceuticals. I see little difference here between Edwards' proposal and Obama's.

**Impact on employers:** Way great. Employers could get out of the health-care business, as they should. The Washington Post Co., which owns *Slate*, doesn't buy my automobile insurance. Why should it buy my health insurance? Only because it's too expensive for me to buy on my own, just as my police protection would be too expensive if I had to go out and buy that. For these sorts of expenses, we pay taxes, and the government provides for all.

**Longevity:** Way long. Patients who switched to public health insurance would be unable to find a better deal elsewhere, at least with regard to cost, and so would likely remain in the same insurance plan the rest of their lives. Their insurer would therefore realize directly any long-term cost savings achieved through preventive care.

[*Update, June 6:* Edwards campaign spokeswoman Colleen Murray informs me that Edwards puts the cost of his health care plan at [\\$90 billion to \\$120 billion per year](#). Universality would be achieved, she says, as follows:

To make sure everyone is enrolled, insurance would be checked at schools, hospitals, clinics, doctor's offices, and through the tax system. If necessary, premiums would be collected through the tax system and everyone would be enrolled in a default plan.

I presume the default plan would be the public one, since it would be awkward to require the Internal Revenue Service to make payments to private insurance companies.]

*Health Care Primary Archive:*

July 1, 2007: "[Health Costs Screw Business, Too](#)"

June 19, 2007: "[Obamacare: Better Than It Looks](#)"

March 13, 2007: "[A Short History of Health Care](#)"

November 8, 2006: "[Time To Socialize Medicine](#)"

March 9, 2005: "[Socialized Medicine, Part 2](#)"

March 8, 2005: "[The Triumph of Socialized Medicine](#)"

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