

**Los Angeles Times**  
**February 2, 2005**  
**Editorial: Healthcare Isn't a Tomato**

The idea that Americans should purchase healthcare much as they do groceries or auto insurance — on their own, without any strong-arming by government or employers — has been around for years, and goes roughly like this: Because people have unique healthcare needs, they should be free to buy insurance policies tailored for themselves. And because most Americans typically shift jobs every few years, they, and not an employer, should control the policies. Consumers should also pay more out of pocket, so they would be motivated to do research and get the best deal for health services, which would help drive down prices. In theory.

The Bush administration is gathering up these arguments into proposals for action, in the form of high-deductible "catastrophic" insurance policies, with consumers paying out of pocket — with tax-free savings — for care falling under the deductible. If healthcare were really like tomatoes or Toyotas, it would make perfect sense.

Congress has already agreed to a cornerstone of the president's "consumer-directed" healthcare plan: health savings accounts, which are tax-exempt accounts similar to 401(k) plans in which people can deposit up to \$5,000 a year before taxes. There is a built-in unfairness in these accounts, in that only a minority of taxpayers are wealthy enough to profit from the full tax savings. There is also danger in making people decide between their savings and their health, because deferred healthcare is more costly than prevention. And how would patients balance the price and quality of chemotherapy?

Among the largely undiscussed drawbacks of the president's plan is that though the change would free consumers to purchase health coverage individually, it could also deprive them of the collective clout that helps employers, unions and other large groups score deep discounts in the medical economy. The administration has yet to explain how it would compensate for — or retain — group bargaining power.

In announcing his health proposals last week, Bush said, "I happen to believe the best healthcare system is one where the consumers, the patients, make the decisions." But as Princeton health economist Uwe Reinhardt put it: "It's difficult to imagine how any informed patient can effectively shop around for cost-effective care because of the now widespread price discrimination practiced by the providers of healthcare. Individual hospitals, physicians and other providers of healthcare now are free to charge and are known to charge different payers different fees for the same services, with the highest prices charged individual self-pay patients who have no market clout."

Legislators need to stop and consider the practicality and viability of any wholesale changes in the way workers are insured. A good place to begin is with Reinhardt's basic question about whether it's possible for individuals to make confident healthcare decisions, given the almost total lack of information about quality and cost in the market.

**Explanation:** While the article has some fairly clear points supporting its main thesis, that thesis is not clear at first. It could be argued that the thesis is: "Legislators need to stop and consider the practicality and viability of any wholesale changes in the way workers are insured." I have chosen to use a thesis that I have extracted from the article as a whole because it does not seem that the one that I quoted is the one that is supported throughout the article. I also added one of the implicit premises (next to "Health care is not comparable to consumer products.")

