

Volume II, Issue 21

August 1994

CONGRESS MUST THOUGHTFULLY DELIBERATE THE NATION'S HEALTH CARE

By: Tom L. Rankin, Chairman of the Board and President, Lykes Brothers, Inc.

Efforts in the U.S. Congress to extend health benefits by giving "universal coverage" (undefined) should be put on hold until a clear consensus and understanding is reached after being debated during the 1994 election campaigns and careful deliberation in the Congress thereafter.

To date, communications with the public have been a series of orchestrated media events that emotionally highlighted exceptions and that bash health care providers, but with no intent to inform. The impact on the U.S. economy of radically altering the health care industry, on international American competitiveness after NAFTA, GATT, etc., and on the vast majority of Americans who do have health benefits must be clearly understood prior to passage.

The deliberate polarization of the process by the Democratic leadership to force passage of a partisan bill through Congress will have unacceptable unintended results. Promising cheap subsidized drugs to the elderly, having the federal government (taxpayers) bail out corporations from the liability of unaffordable corporate post-retirement promises, offering to swap a future increase in the minimum wage for health care support, etc., is an attempt to cobble together a majority to support an ill-conceived

entitlement expansion which will have unintended economic consequences.

The program is to be funded by unquantifiable future savings in health care and by a tax on tobacco consumption, a declining source of revenue to the Treasury. These inadequate sources will, in the future, have to be funded by increases in taxes and the deficit.

The private sector is successfully dealing with the explosive increase in health care costs of the past several years by designing new programs, competitive purchasing to lower costs, joining HMOs and re-engineering for more cost-effective administrative processes (many of which were mandated by government) while still providing effective and affordable health coverage.

No industrialized country has successfully dealt with this problem. The role models being held up are Canada and Germany, both of which have had to reduce their federal government's participation by cutting benefits and cost shifting to the provinces and/or consumers due to uncontrollable cost increases.

Health care cost increases have been caused by new technology which allows more to be done to heal and to extend lives, public policy and social

mores which prolong life and economic distortions caused by government programs and policies that influence individual actions (unintended results). None of these are currently part of the administration's consideration.

From a business and a taxpayer's perspective, I suggest that members of the Congress reject any

attempt to force passage with or without triggers or commissions that allow abdication of their constitutional responsibility to be deliberative. This unquantified expansion of an entitlement will further tilt the public's dependence on government and away from individual choice and responsibility -- the keys to a free society.



About the Author

Tom L. Rankin was affiliated with Lykes Brothers, Inc. prior to joining Lykes Pasco, Inc. in 1968 where he has been President and Chief Executive Officer since October 1974. Mr. Rankin is Chairman of the Board, Chief Executive Officer and President of Lykes Bros, Inc. He is also Past



Rankin

President and Past Chairman of Florida TaxWatch and is a member of the Florida TaxWatch Board of Trustees and Executive Committee. Mr. Rankin also serves as Chairman of the Constitutional Florida Taxation and Budget Reform Commission.

Ideas in Action is a public forum to present discussion on vital issues affecting the economy, public policy and concerns that touch the lives of many Floridians. Views expressed in this newsletter do not necessarily represent those held by the members, staff, or the distinguished Board of Trustees of Florida TaxWatch.

"Adding taxpayer value, citizen understanding and government accountability since 1979"

L. Charles Hilton, Jr., Chairman; Dominic M. Calabro, President and Publisher
Dr. Neil S. Crispo, Senior Vice President, Research and Operations
Contributing Editor: Bob Stiff, Director of Development and Public Relations
Catherine M. Haagenson, Communications Director; Gable Abblett, Publications Assistant
Copyright, Florida TaxWatch, August 1994



NON-PROFIT ORG.

U.S. POSTAGE
PAID

TALLAHASSEE, FL
Permit No. 409

1114 Thomasville Road
P.O. Box 10209
Tallahassee, FL 32302
Phone: (904) 222-5052
Fax: (904) 222-7476