

Published on *National Catholic Reporter* (<https://www.ncronline.org>)

August 24, 2009 at 12:48pm

Finances & Health Care

by Michael Sean Winters

NCR Today

E.J. Dionne has a great column today, filed in Australia, where that country's Prime Minister, Kevin Rudd, gives credit to both Presidents Bush and Obama for their actions in averting an economic collapse. The bailouts of the financial sector and the automobile industry, the stimulus package, and the quick passage of Bush's final budget earlier in the year, averted what could easily have been a repeat of the Great Depression. Dionne correctly concludes that Obama will reap little political benefit from this great fact. "But because the cataclysm was avoided, this is an invisible achievement," he writes.

True enough. It is hard to tell people that something that did not happen was really, really important. Just as it is difficult for people to recognize that all the money needed to make the health care reform work equals less than has been spent on the Iraq War. People are right to be concerned about the size of the deficit but it is undoubtedly the case that had the economy collapsed, tax revenues would have plummeted further than they have already, and the deficit would have been even worse.

A key part of the health care debate that keeps getting lost is that if we do not reform health care, the costs of Medicaid and Medicare will continue to drain the federal budget. Health care reform is also an investment, with up-front costs to be sure but long-term savings as well. We look at the effort to insure those who currently lack insurance as a moral issue, and so it is. But, it is also the case that bringing everyone into the health insurance system will lower costs by eliminating wasteful trips to the emergency room and by adding people who now pay nothing into the pool of people who will be contributing to their own health insurance. We may have to subsidize them, but they will be paying part of the costs themselves.

None of this will satisfy the rabid free-marketers who complain of any and all federal "intrusions" into the market. But surely our memories are not that short. The free market could not avert its own crisis and we

should take its advocates' advice about health care reform with more than a grain of salt. We should salt the rim and down a margarita because you have to be drunk to believe the free market can bring about universal health coverage. It can't. It hasn't. Like the economic meltdown, only the government can crack this nut.

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