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What Government Healthcare Really Means To You

I always try to steer clear of political topics at Wealth and Wisdom. This is a blog focused on wealth and life balance through entrepreneurship. It doesn't matter if you are liberal or conservative, a democrat or a republican, my political views should not apply. Heck, I think most of us plug our noses when we vote!

Lately I've been seeing a lot of legislation that will have a profound impact on our lives. Much of it is being pushed surrounded by little fact and a lot of political rhetoric. What scares me is not the change but that so few people on either side of the aisle will base their opinion on facts and a rational thought process.

Recently it hit close to home. I read a horrific article about a man who went in for a routine gallbladder surgery and came out having lost both of his legs. To add insult to injury his family has no recourse, as this was done at a military hospital.

Why does this hit close to home? I was in the military and have experience both military and VA medicine. Neither was inspiring, and veterans care scares me. Why do I have such a negative view?

- During my 12 years of military service I was seen by a total of three doctors. This isn't due to my incredible health. It's because 90% of military health care is by corpsmen (essentially a registered nurse) and often isn't under the supervision of any doctor.
- My wife can never again take Motrin or any NSAID because of an overdose. Yep, you guessed it, it was through a military doctor.
- I've had to go to VA hospitals a few times since I was honorably discharged. After these few experiences I know that I would rather die than be treated by the VA.

If you ever want to know what government health care is like visit a VA hospital. Look closely at the people. Look at the indifferent attitude of the employees. Ask about the credentials for the medical professionals. Watch the patients that are hanging around, hopeless and miserable. Look at the patients who - at 3:30 PM - are still waiting to be seen for their 8:00 AM appointment.

I've seen government healthcare and would rather be uninsured!

Health care reform facts

It took a lot of digging to find any actual facts. I found a ton of rhetoric. I found a lot of opinion. What is hard to find is anything concrete.

What we do know is that this is a 1000+ page bill. The expected cost over 10 years is \$1.3B with a potential savings of \$257B, resulting in a \$1T cost to taxpayers. This data is from the Congressional Budget Office (CBO) and is non-partisan. Other groups are estimating the cost to be closer to \$1.5T - 1.7T. After the 10 year period costs are expected to rise at 6.7% per year and there is nothing in the bill that will slow this growth.

The current thrust of the legislation is to increase coverage and reduce costs. How is that possible?

- Increase coverage: The plan will increase the eligibility for Medicaid income level to 133% of the poverty level. This will dramatically reduce the number of privately insured families shifting them to the public system.
- Decrease costs: The plan will cap payments to 5% higher than Medicare levels.
- Legislate *acceptable coverage*: Bureaucrats will determine what coverage you will receive.
- Individuals required to be covered by an *acceptable* plan: If you are not covered you will be taxed at 2% of your income up to the average cost.
- Medium and large corporations required to offer their employees an *acceptable* plan: Non-compliance will incur an 8% tax.

What does government healthcare mean to entrepreneurs?

Your insurance costs will go up dramatically. Even if you are not big enough to fall under the medium and large corporation status, the acceptable plan aspect and the reduced number of private participants will increase your

insurance costs. Or you could chose to not offer health care. Since many of your employees won't be eligible for public health care, it will make your company less attractive and you will lose employees.

What about entrepreneurs who don't have employees? In these cases you will still be hit with additional costs:

1. You will be required to have insurance. If you don't have insurance you will be taxed 2% of your income up to the cost of the average *acceptable coverage*. Either way you will pay.
2. The cost of insurance will go up. Since most entrepreneurs will be above the threshold for public insurance plans you will be forced into a private plan. Since the cost of private plans will go up...you get the idea.

What does government health care mean to individuals?

- Your health care costs will go up. You will see this either in reduced wages or in increased insurance costs.
- Your quality of health care will go down. By regulating the amount a doctor can charge (and to an extremely low level) we will drive the best doctors out of the system. What is left will be the average or substandard doctors. You also will see a reduction in available procedures. Bureaucrats will now decide what procedures are allowed.
- Your availability of health care will do down. When you reduce a doctor's earnings you make the profession less desirable. Why should a doctor spend over a decade in training for average compensation? That question was rhetorical, and you will see few new doctors enter the system creating a massive shortage.

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