



Written by [Kurt Williamsen](#) on October 20, 2008

Hawaiian Healthcare Holdup

Seven months after instituting the only state child universal healthcare program in the country, Hawaii is dropping the plan. According to an AP article, the state could no longer afford the plan though it only enrolled about 2,000 of the state's estimated 3,500 to 16,000 uninsured children.

The plan, which was funded through roughly equal payments by the state and the private Hawaii Medical Service Association (HMSA), the state's largest healthcare provider, was supposed to cover all children without health insurance from birth to age 18 — “mostly immigrants and members of low-income families.” Care was free except for a \$7 copay for each doctor's visit. In conjunction with the cost of the plan, the state objected to the fact that families were dumping their private health insurance to enroll in the “free” plan.



The last is an inevitable occurrence when government tries to “manage” healthcare. The Cato Institute estimates that under the State Children's Health Insurance Program (SCHIP) — a federally funded healthcare plan intended for children and run by states — up to 60 percent of the enrollees had dropped private coverage for “free” care. Freeloaders on the government dole are an unavoidable facet of government involvement in healthcare. So to are the end results of government involvement: rationing of care. This is true because people in public health programs perceive the care as free, and so they use them prolifically — for every twinge and ache — swamping the system.

The children who are no longer covered by the state healthcare plan can get insurance through HMSA for \$55 per month or apply for Medicaid.



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