



Written by [Bruce Walker](#) on October 14, 2010

## Healthcare Does Not Require Coverage of all Children

In response to the fact that some health insurance companies stopped issuing child-only health policies because under ObamaCare's rules they had to issue policies to children regardless of pre-existing conditions — meaning parents could wait until their children were sick or injured and then enroll them, essentially mandating that insurance companies lose money on children's insurance — the Obama administration has reinterpreted the new healthcare law and said insurance companies may consider pre-existing conditions in issuing insurance until 2014, when issuers will be required to accept all applicants regardless of pre-existing conditions.



Jay Angoff, Director of the Office of Information and Insurance Oversight of the United States Department of Health and Human Services, made the announcement that it is acceptable to adjust insurance rates for children based upon the health of the dependent child.

Kathleen Sebelius, Secretary of Health and Human Services, said, "Unfortunately, some insurers have decided to stop writing new business in the child-only insurance market, reneging on a previous commitment made in a March letter to make pre-existing condition exclusions a thing of the past." Exactly how private insurance companies could "renege" on a promise to the federal government on an issue such as that was unclear. In Fascist Italy, industry was compelled to form syndicates in which all members of an industry were represented only by proxy; however, members of American industry have always been allowed to make their own private decisions.

In fact, American anti-trust laws would have prohibited constituent members of a particular industry from meeting and coming up with enforceable standards against the consumer. Directors of corporations who did so might be even found guilty of criminal anti-trust violations. Sebelius, on Wednesday, sent a letter to the National Association of Insurance Commissioners, calling the decision of some insurers to stop issuing child-only policies "extremely disappointing," but noting, "Nothing in the Affordable Care Act, or any other existing federal law, allows us to require insurance companies to offer a particular type of policy at this time."

Decisions by health insurers on which patients to cover and on what sort of risk different types of coverage might exclude are not based upon indifference or malice but rather, like all insurance decisions, on statistical risk factors. Insurance is always offered by insurers — it is their business to write insurance — but only if the risk factors can generate a modest profit. When government compels business to engage in unprofitable activities, like providing health insurance at losing rates for children with pre-existing conditions, then eventually business will require a federal subsidy or it will go out of business. The laws of supply and demand appear to baffle Sebelius, however, and she deems an



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unwillingness to purposefully lose money by the industry to be “reneging” on “agreements” with federal satraps.

The Secretary also appears to discount or to be unaware of the other option that was used long before the Department of Health and Human Services was invented to provide care for children whose parents cannot afford it: private charity. Many communities have little boxes with a picture of a child and a brief story about a special need in restaurants, shoe repair shops, hairdresser salons, gift shops, and countless other private businesses that invite patrons to make a small contribution toward medical care for the parents. Charitable organizations like [St. Jude’s Hospital](#) also provide free medical care for children, and these have been in operation for many decades. The hearts of the American people have always been warm toward the unfortunate, and sick children probably rank at the top of this list.

Churches and synagogues have also given freely to help congregants who are faced with heart-rending needs. Many physicians also donate services to help the unfortunate who cannot afford care. The notion that only the federal government, through layers of bureaucrats, pressuring trade groups or regulating business can temper the harshness of medical tragedy is at odds with the reality of American life. The proven consequence of heavy-handed control of healthcare in nations like Britain and Canada, on the other hand, is unnecessary tragedies in millions of lives.



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