



Obama: Individual Mandate “Should Not Be Controversial”

Just three days after the 11th U.S. Circuit Court of Appeals found the ObamaCare individual mandate unconstitutional, President Barack Obama insisted that the mandate “should not be controversial” — despite having opposed an individual mandate during his run for President.



On Monday, during the first stop of his three-day Midwestern bus tour, Obama took time to explain why he believes “the individual mandate’s important.” Speaking to an audience in Cannon Falls, Minnesota, the President framed the matter thus:

Here’s the problem: If an insurance company has to take you, has to insure you, even if you’re sick, but you don’t have an individual mandate, then what would everybody do? They would wait till they get sick and then you’d buy health insurance, right? ... It’s just like your car insurance. ... If the car insurance companies had to give you insurance, you’d just wait until you had an accident, and then you’d be dialing on the phone, you know, from the wreck, and you’d say, “State Farm, I’d like to buy some car insurance, please.”

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Obama is correct that mandating that insurance companies accept all comers does indeed pose just this sort of dilemma. In fact, this problem has cropped up in Massachusetts, where the prototype for ObamaCare was signed into law by then-Gov. Mitt Romney in 2006. In spite of a mandate that everyone purchase insurance — which Obama accurately noted was originally “a Republican idea” — many Bay State residents still chose to [wait until they needed health insurance to buy it](#), knowing that they could not be denied coverage. The result, predictably, was in increase in insurance premiums and other healthcare costs.

The President continued to expound on “the basic theory” behind the individual mandate:

Everybody here at some point or another is going to need medical care, and you can’t be a free rider on everybody else. You can’t not have health insurance, then go to the emergency room, and each of us, who have done the responsible thing and have health insurance, suddenly we have to pay the premiums for you. That’s not fair.

Again Obama’s contention is valid. It is certainly unfair for responsible individuals to be forced to foot the bill for the irresponsible. However, throughout his comments Obama fails to take into account that the free-rider problems he is describing are the direct result of government policies and that, therefore, the individual mandate is only treating the symptoms of those policies, not curing the disease they have created.

The only reason that emergency rooms must accept all patients, after all, is that the federal government forces them to do so. In 1986 President Ronald Reagan signed into law the Emergency Medical Treatment and Active Labor Act, which requires any emergency room to render care to anyone who



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walks in the door, regardless of the patient's ability to pay for such care. (This is not to say that hospitals would necessarily turn such patients away in the absence of such a law, but they might encourage those patients to seek less expensive alternatives such as urgent care centers instead of providing non-emergency treatment on the spot.) As long as emergency rooms must treat all patients — even those who are flat broke and suffer from nothing worse than a hangnail — the costs will inevitably be passed on to those who can pay their own bills, either out of pocket or through insurance.

Obama fails also to carry his comparison to auto insurance to its logical conclusion. If it's a bad idea to force auto insurers to accept all potential customers regardless of their driving history and their cars' current conditions, perhaps it is also a bad idea to force health insurers to accept all potential customers regardless of their health history and current health conditions. Instead, he accepts the notion that the government must compel health insurers to cover everyone, from which the individual mandate necessarily follows.

Moreover, he ignores other government policies that have caused healthcare prices to increase dramatically while the prices of many other goods and services have fallen. Because the tax code favors generous employer-provided health insurance and because government subsidizes so many individuals' healthcare, Americans are encouraged to overuse the system, causing prices to rise. Government mandates and regulations add further costs to the provision of healthcare. The symptoms of these combined policies are the practical necessity for health insurance to cover treatment for everyday aches and pains and the concomitant unaffordability of insurance to individuals and small businesses. Obama's solutions — mandating that insurers cover all persons regardless of pre-existing conditions and that individuals obtain insurance — merely pile more rules on top of the existing mountain of red tape, thereby ensuring that costs will continue to rise and that further government intervention will be deemed necessary, until at last the United States arrives at "a system of socialism in which private property at best survives in name only," in the prescient words of [Ludwig von Mises](#).

Obama is also being disingenuous when he states that the individual mandate shouldn't be controversial. If it weren't controversial, 26 states wouldn't be challenging it in court, and various courts wouldn't be finding all or parts of it unconstitutional (and others finding it constitutional). "The individual mandate is breathtaking in its expansive scope," wrote the 11th Circuit Court in striking it down. The law, added the court, "mandate[s] that individuals enter into contracts with private insurance companies for the purchase of an expensive product from the time they are born until the time they die." Yet to the architect of this enormous increase in government power, it "should not be controversial" in the least.

But as [CNSNews.com](#), which posted the video and partial transcript of Obama's Cannon Falls remarks, points out, Obama himself opposed an individual mandate when he was running for President — and with good reason. Appearing on the *Ellen DeGeneres Show* in 2008, Obama argued that the main difference between his proposed healthcare plan and that of then-Sen. Hillary Clinton was that Clinton's plan "mandate[d] that everybody buy healthcare," while his did not "because I don't think the problem is that people don't want health insurance. It's that they can't afford it." Responding to Clinton's charge that his plan therefore would not insure everyone, Obama said, "Well, if things were that easy, I could mandate everybody to buy a house, and that would solve the problem of homelessness. It doesn't."

He was right in 2008; he is wrong now. The individual mandate is a bad idea.

If the President really wants to see to it that every American can afford healthcare, including health insurance for major expenses, he ought to work to repeal ObamaCare, including the individual mandate;



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the Emergency Medical Treatment and Active Labor Act; Medicare and Medicaid; and all the other federal healthcare programs, mandates, and regulations. Without these economic distortions, the market would quickly bring the cost of healthcare down to an affordable level. The alternative is to keep applying bandages on top of bandages until the patient — the American healthcare system — suffocates. The Obama cure, unlike the constitutional cure, is infinitely worse than the disease.

Photo: President Barack Obama walks with, from left, Sen. Amy Klobuchar, D- Minn., Sen. Al Franken, D-Minn., Minnesota Gov. Mark Dayton, and others, upon his arrival in Minnesota, Aug. 15, 2011: AP Images



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