HOW TO CUT MEDICAL CARE COSTS WITH ZERO COSTS TO TAXPAYERS

By Dennis Constant

If federal, state and local governments passed the proper laws, regulations, restrictions and mandates, medical care costs could be cut by 20%, 30% or even 50% according to Michael Cloud, co-founder of the Center For Small Government (http://www.centerforsmallgovernment.com/) and editor of *Small Government News*™. Cloud describes six ways medical care costs can be dramatically cut if governments could only get their acts together.

(1) <u>Allow price advertising</u>. Eliminate all laws and regulations that hinder or prevent medical providers from posting their prices for goods and services, including pharmacies, doctors, hospitals, and laboratories.

Cloud points out that charges for the same medical procedure can vary 30% to 300% within a 100-mile radius because patients can't shop for the best value. U.C.L.A. Economist Sam Peltzman compared the costs of eyeglasses in states that allowed price advertising and states that outlawed it. States that allowed price advertising had much lower prices.

(2) <u>Allow all Americans to have prescription drugs shipped to their homes from outside the United States</u>. International competition for prescription drugs would drive down domestic prescription prices.

(3) <u>Let all people buy medical insurance across state lines</u>. This would cut medical insurance costs for millions who already have needlessly overpriced premiums, says Cloud, pointing out that in New Jersey, a single man would pay $4,000 for medical insurance. If he lived in Pennsylvania, he'd pay $1,500. If he could buy medical insurance from a Pennsylvania provider, he'd save $2,500 a year. According to a study by the American Enterprise Institute, this would make medical insurance affordable for 12 million uninsured Americans.

(4) <u>Let doctors and patients negotiate discounts for paying cash</u>. The doctor would save the time, trouble, delay and cost of dealing with insurance companies, Medicare, or Medicaid, and he and his patient would share in the cost savings.

(5) <u>Let patients, doctors, and hospitals enter into legally binding, limited-liability contracts</u>. This would reduce the cost of medical treatment by reducing the cost of malpractice insurance.

(6) <u>End all government mandates that require businesses or individuals to buy medical insurance</u>. Cloud would have insurance companies earn our business with lower prices and better quality, rather than let them lobby government to compel us to buy medical insurance.

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