



New Health Care Bill

With assistance from the Goodman Institute and the Americans for Prosperity, Congressman Pete Sessions (R-TX) has introduced a sweeping new [health care bill](#). Intended as an alternative to Bernie Sanders' Medicare for All proposal, the bill does three important things.

First, it allows every individual and every family in America access to insurance that meets their financial and medical needs. Right now, that is not a reality for millions of families.

If you add the average premium to the average deductible in the (Obamacare) exchanges, a family of four, not getting a subsidy, has to [spend \\$25,000](#) before they get any benefit from their health insurance. After all that, they may be [denied access](#) to the doctors and hospitals that can give them the best care.

Second, for the first time in the 80-year history of the IRS involvement in health care, Sessions' bill will [treat everyone equally](#). People will get the same tax relief whether they obtain insurance through an employer, in the individual market, in the short-term insurance market or from an association health plan.

Right now, an individual with the income of a typical Uber driver gets five times more help from the government if he obtains insurance in an exchange than if he obtains the same

insurance from an employer.

Third, the bill incorporates [10 reforms](#) that have been endorsed by more than 80 right-of-center think tanks and activist groups. These include [personal and portable insurance](#) for employees and Health Savings Accounts (HSAs) for seniors.

For the first time in 20 years, HSAs will be able to meet the [needs of the chronically ill](#).

Also, employers will be able to make deposits to employees' HSAs, from which the employees can make monthly

payments to a direct primary care (DPC) doctor of their choice. These doctors provide all primary care and are generally available by phone at nights and on weekends, as an alternative to the emergency room.



John Goodman addresses the Republican Study Committee on Capitol Hill.

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Rep. Pete Sessions Introduces Sweeping Health Care Bill in Congress

By Bonner Russell Cohen

U.S. Rep. Pete Sessions (R-TX) introduced a comprehensive reform bill titled the Health Care Fairness for All Act on May 9. The bill provides for a universal tax credit and individual accounts for after-tax savings for medical expenses that would be invested and never taxed again (called Roth taxation), states Sessions' press release on the bill. "This legislation would create a new option for

Why Do We Need Labor Law?

The emergence of Uber and similar ride services and the pandemic-induced phenomenon of working from home are radically changing the nature of work.

The idea of “an hour of work” for a single employer is increasingly a meaningless concept. But without that metric, you can’t make sense of “minimum hourly pay” or “overtime” and other features of our 85-year-old labor law.

Moreover, millions of people no longer want to be traditional “employees.” To facilitate that desire, [John Goodman argues at Forbes](#) that we need to let independent contractors have all the tax advantages employees have with respect to health insurance, retirement pensions and other benefits.

Charity Without the Welfare State

One of the big sticking points in the debt-limit discussions between President Biden and the House Republicans was whether there should be a small increase in work requirements for people receiving entitlement benefits.

In the end, the negotiators basically punted on what is probably the most important public policy issue the nation faces: Who should get free food, housing, medical care and other benefits, and what – if any – should the conditions be?

Goodman Institute scholar Laurence Kotlikoff and his colleagues have produced state-of-the-art studies documenting the extent to which our fiscal system is having a devastating effect on [incentives to work](#) and [incentives to marry](#).

Can we have a safety net that provides relief to people who

experience misfortune and need temporary help without creating a permanent class of dependents who face high financial penalties if they get a job and go to work or if they marry the other natural parent of their children?

Kotlikoff and Goodman say yes. In his [editorial at Forbes](#), Goodman shows how we can provide relief without an income test that penalizes socially responsible behavior.

Entitlement Reform

According to the latest Trustees Report, the unfunded liability in Social Security and Medicare is [\\$163 trillion](#) – almost 7 times the size of our entire economy. An unfunded liability is the difference between benefits already provided by current law and the future tax revenues expected to pay for those benefits.

In a sound retirement system, we would have \$163 trillion in the bank, drawing interest. In fact, nothing is being saved. Instead, payroll tax dollars are being spent the very day they come in the door.

To avert financial disaster for our children and grandchildren we need to reform these elderly



Stephen Moore and John Goodman made the case for entitlement reform at Principia College in April.

entitlement programs. Yet reform efforts are easily demagogued by opponents unless they contain real benefits for the current generation of retirees.

Fortunately, there are reforms that would benefit today's seniors, even as we prepare to save the system for tomorrow's retirees. Writing in the [*Washington Times*](#), John Goodman proposes:

- An end to robbery by red tape – where seniors lose thousands of dollars because of mistakes made by Social Security bureaucrats.
- An accurate Social Security calculator that shows beneficiaries the true economic consequences of choices Social Security and Medicare require them to make.
- An end to the earnings penalty, which causes many seniors to lose as much as 50 cents in benefits for every additional dollar of earnings.
- An end to taxation by inflation, including the unindexed tax on Social Security benefits.
- Health Savings Accounts for seniors.
- Limited open enrollment in Medicare Advantage, so that seniors can switch to the plan they need when their health condition changes – instead of waiting 12 months.

New Medicare Book

President Biden and former President Trump have made the same promise to voters: they won't touch Social Security or Medicare. That's not merely disappointing. It's irresponsible.

In just eight years, nearly 78 million Medicare beneficiaries will face an automatic 11 percent payment cut in their hospital insurance benefits, and these cuts could come even sooner and strike even deeper if America is hit by a recession. In just ten years, 66 million Social Security beneficiaries will see their monthly benefit checks cut by 23 percent.



John Goodman testifying on Capitol Hill about drug shortages.

One reform idea would be a Health Savings Account for seniors. Currently, HSAs allow younger people to make choices between medical care and other uses of money. A similar account, but with after-tax deposits and tax-free withdrawals (like a Roth IRA) for seniors would avoid the charge that the deposits are a tax dodge. But it would allow seniors to conveniently avoid unneeded care and bank the savings for other purposes.

This is one of a number of ideas proposed in [*Modernizing Medicare*](#), a multi-authored Johns Hopkins University publication edited by Heritage Foundation scholar Robert Moffitt and former Heritage vice president Marie Fishpaw. Authors include John Goodman, former Congressional Budget Office director Douglas Holtz-Eakin, former Medicare and Medicaid director Gail Wilensky and Johns Hopkins University School of Medicine professor Brian J. Miller.

Of course, in order to give Medicare enrollees the full freedom to choose between health care and other uses of money, seniors would have to have greater choices of plans, and insurers would need greater freedom to offer innovative alternatives.

Outreach

In April, John Goodman and University of Missouri professor David Rose presented their paper on “A Theory of Culture” to the Association of Private Enterprise Education in Cancun.

Stephen Moore and John Goodman made the case for entitlement reform at Principia College.



John Goodman and Steve Forbes at the Association of Private Enterprise Education conference in Cancun.

The Goodman Institute was represented at the Philadelphia Society meeting in Indianapolis.

In May, Congressman Pete Sessions and John Goodman conducted a (Zoom) briefing on Sessions’ new health care bill in advance of the bill’s public unveiling. Goodman also spoke at an Independent Institute scholarly retreat in Monterey, California.

In June, Sessions and Goodman presented the new Sessions health care bill to the Republican Study Committee on Capitol Hill. Sessions and Goodman also met with the House Republican leadership

and the House Doctors Caucus and presented the bill to the Americans for Tax Reform’s multi-organization meeting.

Goodman also made presentations to several Consensus Group (Zoom) meetings. This group includes members of Congress, Capitol Hill staffers and think tank representatives with a special interest in health policy.

This quarter, Goodman has been the go-to person on health care for Congresswoman Beth Van Duyne (T-TX), who has introduced several health care bills, including efforts to make Health Savings Accounts more flexible – so that they meet the needs of the chronically ill. These reforms would also allow HSAs to become a vehicle by which employer funds can be used by employees to contract with direct primary care doctors of their choosing.

Similar reforms can be found in the Sessions health care bill.



Congressman Pete Sessions and John Goodman conduct a Zoom briefing on Sessions’ new health care bill prior to its release.



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