

SUBSIDIES

There's a lot I object to in Hendrik Hertzberg's judgment of those opposed to the Senate health bill as "pathetic." His entire piece revolves around the claim that bill critics are committing a pathetic fallacy: attributing to an inanimate object—Congress—animate actions—passing the bill.

The pathetic fallacy is a category mistake. It's the false attribution of human feelings, thoughts, or intentions to inanimate objects, or to living entities that cannot possibly have such feelings, thoughts, or intentions—cruel seas, dancing leaves, hot air that "wants" to rise.

Yet most critics have been very specific about the people (Harry Reid for his inability to enforce party discipline, Rahm and others for prioritizing deals with the industry over cost containment, Joe Lieberman for being Joe Lieberman) who have made this bill what it is. It is Hertzberg's fallacy, not critics', to suggest that this bill got so bad because of an inanimate object called "the system." Indeed, suggesting the end result of the actions of a small group of fully deliberate beings is not the product of human will serves as a neat excuse for those who want to obscure the process and decisions that resulted in this bill.

Hertzberg also curiously invokes the defeat of Kennedy's Medicare efforts in the Senate (after which, two years later, the bill passed) to argue we are faced with a choice between the status quo or this bill. The history of prior reforms can and has been used as a double edged sword in this debate, so I'm not arguing that the lesson offers us any real insight into the fate of health care if we do or don't pass this bill. But used as he is doing, doesn't it suggest the possibility that, if this bill were to fail, it might **not** be several generations

until we tried again, it might be passed in the near future? (Not that I necessarily believe this would get easier in two years, I just think it is a very inapt use of the example.)

But reading the piece finally got me to read another piece that bill champions have repeatedly pointed to to celebrate the bill: a post by University of Chicago Health Policy Professor Harold Pollack, comparing the subsidies included in this program with the subsidies offered in just about all other support for the poor.

By 2019 when the reforms are fully implemented, the Senate bill would provide about \$196 billion per year down the income scale in subsidies to low-income and working Americans.

Even policy wonks have trouble getting their heads around such a big number. With due allowance for the back-of-the-envelope nature of this calculation, \$196 billion exceeds the combined total of federal spending on Food Stamps and other nutrition assistance programs, the Earned Income Tax Credit, Head Start, TANF cash payments to single mothers and their children, all the National Institutes of Health, and the Department of Housing and Urban Development. (I admit to some uncertainty about that last one. We may have to leave HUD behind...)

(Pollack has a worthwhile, thoughtful expansion of his stance on the bill here.)

Now, I don't contest Pollack's numbers. Nor do I underestimate the magnitude of this amount of subsidies.

But there's a flip side to that magnitude, one which, IMO, is not worth celebrating.

First, a significant number of the recipients of these very generous subsidies aren't going to

see them in tangible form. For those getting subsidized premiums, the biggest immediate benefit will be yearly check-ups, if they have access to a doctor (experts expect there will be access issues in the years after the subsidies start). If MA is any indication, though, many won't actually be getting health care beyond that check-up; they still won't be able to afford it. And for those who will go into debt before they get any out-of-pocket subsidies, I suspect those subsidies won't feel all that generous.

Now compare that to the other tangible things the subsidies Pollack lists give people: real cash for single mothers, tax credits for the working poor, and food stamps that function as cash in many stores (which, shockingly, serve as the sole source of income for 6 million Americans). These other subsidies give people income, cash to spend on food, affordable housing. Real, tangible benefits. The thing they lack.

Shouldn't the program be measured by what tangible benefits it provides—how many get health care—rather than how many subsidies the insurance companies get?

Then there's the issue of scale that Pollack's post displays. We are providing the poor food, shelter, and income. All for less money than it is taking to provide an admittedly much larger group of people insurance (but not necessarily care). Do we have our priorities in order? Doesn't the sheer scale of these subsidies constitute a flashing warning sign about the relative cost of health insurance (but not care) that this reform institutionalizes?

And therein lies the real risk. As many many people have pointed out, subsidies—particularly subsidies to the poor—often fall prey to political pressure. Particularly given the number of conservative Democrats who are itching to cut back on other programs supporting the needy, should we really be crowing about the success of this program by how dependent it is

on subsidies—by how big a target it establishes for deficit hawks to go after?

I'm sympathetic to both Hertzberg's and Pollack's argument that we have an opportunity to get millions care that they don't have, even as they acknowledge the imperfections of the bill.

But isn't it a sign of the bill's problems that bill champions have to point to the subsidies the bill will provide, rather than the actual health care it gives?