

## Editorial ? Trumpcare? It?s not medicare

We suspect that a lot of Canadians are perplexed over the controversy south of the border on the subject of health care. They are probably wondering why it is that the Republicans were so opposed to the Affordable Health Care Act, alias Obamacare, and yet struggled for months on structuring a replacement called the American Health Care Act that likely will become known as Trumpcare.

In our view, there's no doubt there were problems with Obamacare, particularly the costliness of health insurance premiums once the law required insurers to accept policyholders with pre-existing conditions and did not require all Americans to have health insurance, meaning millions who were usually young and healthy were able to opt out by paying a small penalty.

However, there's equally no doubt that the legislation that finally made it through the Republican-dominated House of Representatives bears no resemblance to the medicare programs that have been in place in Canada for nearly 50 years.

After all, medicare is appropriately termed socialized medicine, and the Ontario Health Insurance Plan bears no resemblance to other types of insurance plans, where premiums are based mainly on the individual policyholder's track record and the insurer's resultant analysis of risk. A driver with a bad accident record and multiple convictions for drunk driving will appropriately be charged a lot more than one with a clean record who happens to live in an area that has few traffic accidents.

The concept behind true medicare is that the cost of providing health care in a community should be shared by all residents based on their ability to pay. In Ontario, we have the fiction of health ?premiums? for those earning more than \$22,000 a year when the payments are simply an add-on to personal income taxes.

In both Canada and the United States, the constitutions assign responsibility for health care to the provinces and states, and even today, a plank in Maxime Bernier's Conservative leadership campaign platform would see Ottawa no longer earmarking tax transfers to the provinces or telling them how to administer their health insurance plans.

But despite the constitutional division of powers, there's no doubt that health care is going to become increasingly costly and that poorer states and provinces will need a lot of cash from the central government if they are going to maintain the standards found in wealthier parts of the two countries.

Interestingly, the Republicans pushed their replacement for Obamacare through the House of Representatives without awaiting a fresh calculation by the Congressional Budget Office (CBO) of the legislation's costs and consequences. However, the CBO's analysis of an earlier version of the American Health Care Act found it would result in some 24 million Americans losing their health insurance because it was no longer affordable.

The simple reason, as we see it, is that the legislation restores risk-based insurance, with insurers able to charge far more to older Americans and those with pre-existing conditions while no longer penalizing anyone who refuses to be insured.

Observers see every likelihood that the legislation will have a tough ride in the Senate, where the Republicans have a smaller majority and there might be a move to come up with a bipartisan approach, improving Obamacare rather than trashing it.

However, we doubt we shall ever see a Canadian-style solution, with Washington sharing the cost of each state's health care program and insisting that the systems be universal, with the young and healthy effectively subsidizing the old and sick.