

THE INSURANCE MARKET: SEN. JOHN MCCAIN (R-ARIZ.)
McCain Discusses Health Care Proposal
October 11, 2007

“To use their money effectively, Americans need more choices. We should give additional help to those who face particularly expensive care. If it is done right and the additional money is there, insurance companies will compete for these patients - not turn them away. It is a challenge to develop techniques that allocate the right amount to each of these families. I propose that we try a time-honored approach and let the states work on whatever method they find most promising. The federal government can help fund this effort, but in exchange, states should allow Medicaid and SCHIP funds to be used for private insurance and develop methods to augment Medicaid and tax credits for more expensive care.

Family-based policies translate into broad success when they are paired with greater competition among insurers on a level playing field. You should be able to buy your insurance from any willing provider - the state bureaucracies are no better than national ones. Nationwide insurance markets that ensure broad and vigorous competition will wring out excess costs, overhead, and bloated executive compensation. Introducing competition into the health insurance market will reduce costs.

Some are already content with the choices and advice offered by their employer. Fine. But Americans should be able to choose who they trust. If a church or professional organization wishes to sponsor insurance for its members, they should be able to do so.

When an American family controls its own health care financing, has a wide variety of low-cost, innovative choices, and receives insurance through a sponsor they trust, insurance policies will only disappear when the family decides it doesn't serve them as well as a competitor would.”