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"We are those who do not disconnect the values of their minds from the actions of their bodies,
those who do not leave their values to empty dreams, but bring them into existence,
those who give material form to thoughts, and reality to values . . ."
— Ayn Rand, *Atlas Shrugged,* page 792

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Medical Savings Accounts: A Solution for Health Care

By Joseph Kellard

America's health care system is failing. Many Americans alarmed by this fact voice their usual mantra: "Something must be done." But virtually every "something" politicians enact—such as Medicare reform, government-mandated HMOs, the Kennedy-Kassebaum bill—ultimately intensifies the failures caused by their original programs and past reforms.

Because Medicare was egregiously enacted as a "guaranteed" insurance, most politicians continue to enact reforms to maintain that morally and already financially bankrupt system from extinction. In reality, they must enact reforms that will send it gradually into extinction.

The increased costs for treating Medicare patients are imposed on younger, privately funded patients. "If you are under 35, the money expropriated for Medicare from your paycheck is going to pay for people who are currently over 65," says Scott Holleran, editorial director of the educational organization Americans for Free Choice in Medicine (AFCM). "Though Medicare 'contributions' ostensibly go to cover part of your health care expenses over age 65, if you are young, you are not going to see a dime of that money."

In essence, HMOs seek to forcibly cut the costly bills of high-risk patients by financing their expenses with surplus money from healthier individuals and by restricting care overall. Under HMOs, the more the "gatekeeper," i.e., the bureaucrat, can save money by restricting care, the more he is paid. Since premiums must therefore rise, insurers are pressured to drop costly, risky patients.

Enacted in 1996, the Kennedy-Kassebaum bill forces insurers to cover those patients regardless of their