LETTER FROM THE EDITOR-IN-CHIEF

Funding Healthcare Reform: Tax Sugar, Not Success

Healthcare is the ultimate paradox for democratic and capitalist ideals, an epic clash between inalienable rights and free market forces. Most everyone agrees that basic healthcare should be attainable, affordable, and non-discriminatory for all citizens. But how can we achieve this somewhat socialist-sounding goal within a free market system?

Well, the free market has proven incapable of making healthcare affordable, and government coffers have proven too empty to subsidize it. At some point, we will need to abandon either the goal of universal healthcare or the embrace of capitalism as universally anti-tax.

So, if we must tax our way to universal healthcare, how we go about it is the next challenge.

Let's look broadly at how the current plan hopes to pay for healthcare reform:

- Tax the "rich."
- Tax the industry.
- Improve efficiency.

It seems that the political strategy du jour is to tax the rich. This strategy has proven politically safe for several reasons: It impacts approximately 1% of the population; it is an income tax, so the impact is on individuals, not large corporations or interest groups; and it is considered palatable to the general public, which has little sympathy for the wealthy class. So what's the big deal?

A tax on the "rich," as it is currently proposed, is inherently "anti-productivity." The concept is essentially a tax on *success*, discouraging investment and efficiency. Additionally, a tax on the so-called "rich" is extremely punitive to physicians, who are being asked to carry more and more of the burden for healthcare reform as it is. More regulation, lower reimbursement, expanded Medicaid, astronomic education costs, and larger workloads. All under a cloud of medical liability.

Is it really fair to further punish a physician making $200,000 per year? When you consider money invested in medical education and our delayed entry into the workforce—our earning years start relatively late by virtue of the time we spend in medical school and training—one could certainly argue whether or not this is even "rich."

Additionally, do we really want to further discourage our best and brightest from choosing careers in medicine, particularly primary care medicine?

Is government, vis-à-vis the public, abusing the good faith of physicians for political convenience and expediency? I sure think so.

It is worth noting that individuals with incomes over $200,000 are hardly "one class." Perhaps a new income class within a class should be considered (say $200,000-$500,000). The majority of earners in this range are professionals and small business owners.

Small business success is most often fleeting, with erratic income, good years and bad. Additionally, they are the most important hiring force in our fragile economy. It just doesn't make sense to penalize them.

The professional class has literally mortgaged their future "wealth" with the aforementioned cost of education and late entry into the workforce. With the cost of education skyrocketing, the only hope for a return on that investment rests on higher wages during the earning years. Doesn't make sense to penalize them, either.

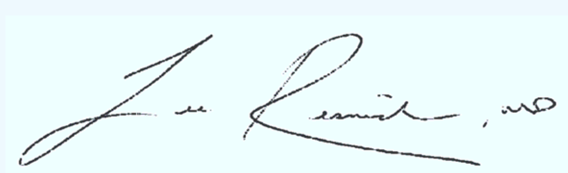
Perhaps an added tax on high earners is necessary, but let's be careful not to overburden the professionals and small businesses.

Finally, most economists agree that taxing productivity is anti-stimulus. Yet, nearly everyone agrees that some new taxes will be necessary to reduce deficits and fund reform.

Taxing consumption is an enviable alternative on multiple levels. It is this author's opinion that America's economy has shifted from investment to overconsumption, and that tax policy could be used to restore balance.

In my next column, I will explore opportunities to tax overconsumption, reward investment, reduce healthcare costs, and encourage a healthier nation.

Look out "sugar," I'm coming after ya'. ■



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