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Democrats mute about equity in healthcare [1]

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Two ambitious state projects for universal healthcare, Massachusetts and California, are about to fall apart because of huge funding problems. Barak Obama has taken notice. He keeps repeating that Hilary Clinton?s state mandate ? wrongly labelled as ?individual? mandate - to purchase private insurance can?t work. Too many people, he says, simply can?t afford it. He has a point, since overregulated private insurance in many states comes with prohibitive premiums.

More important here is the case of existing inequality and unfairness ? which both Democratic presidential candidates are silent about. We are talking about the present tax exemption for employers who provide healthcare to their employees. This is a dismal paternalistic ruling, going back to the cold war. It benefits mostly immobile and heavily unionised worker communities. The Wall Street Journal, which is free for everyone to read online since Richard Murdoch took over, raises [3] the question of equity in healthcare. The subsidy is not just iniquitous because individuals can't get it, but also because it favours employees with higher incomes:

> *Estimates show that the subsidy is worth more than $3,000 for upper-income families (with higher marginal tax rates), and less than $1,000 for those on the lower rungs.*

As the WSJ says: "If such inequality and unfairness existed anywhere other than health care, the Democrats would be raising hell." This lost revenue costs the US government more than $208 billion a year. It is claimed HilaryCare II, by comparison, would cost roughly $100 billion ? although that is, of course, a gross underestimate according to some health economists. But the real point is this: the Democrats could hit two birds with one stone if they were just more honest. They could implement more equity and fairness in the tax system and create plenty of cash for reform to boot. Yet we are left with populist and deceptive posturing.

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