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## Under Intense Pressure, Peterson Steadfastly Defends Economic Freedom

*State Rep. Ron Peterson is "not willing to make insurance even less affordable for those who are already having trouble getting and keeping basic health insurance coverage."*

During this legislative session, state Rep. Ron Peterson (R-Tulsa) has taken a lot of criticism for his conservative (in the traditional sense of the word) position on government imposition of health insurance mandates.

Peterson has stood firm against a mandate for autism coverage—understandably desired by parents of children with the condition, and pressed by legislative Democrats, with the help of a largely sympathetic news media.

The agency which administers state government insurance programs estimated the autism mandate would increase insurance costs by about \$6 million. Peterson says analysts tell him the impact could be worse—a cost multiplier of four to ten percent. But an argument from principle is, for him, more fundamental than clashes over costs.

### Do You Believe in Free Enterprise, or Not?

In an interview last week, Peterson told OCPA that "the controversy comes from a starting point, where you are philosophically opposed to government interference in economic activity. I remember the creed I used to recite as a Jaycee, wherein we stated our belief in free enterprise. What was so self-evident then is under attack here at the capitol every day."

Like other libertarians and conservatives, Peterson believes "markets work. Competition works and that will address the issues of health care and insurance better than mandates. Mandates in the area of health insurance? I'm dealing with them all the time as a committee chairman."

Peterson said this year "at least a dozen" mandates were actively discussed or introduced. As he explains, "Mandates come at a cost, and that cost gets passed on to all consumers. In health insurance, we're in a crisis in terms of affordability, and it seems foolish to me to be entertaining mandates that lead to higher costs."

Pressed to elaborate, he continued, "If we're going to consider mandates at all, it seems each one should stand on its own merits." Peterson advanced a bill that would have required "actuarial analysis for any mandate legislation. I thought we should be careful on any and all mandates, so that if one is considered it's done from a position of knowledge, not emotion." But the measure was killed by Senate Democrats.

Proposals along the same line have actually drawn a sympathetic response from state Insurance Commissioner Kim Holland, who understands the business of insurance. The clearest sign that the attacks on Peterson are political, rather than principled, is that the same politicians bashing him never raise the issue, at least not publicly, with her.

"How can it equate that a mandate would not cost?" Peterson asks. "Because risk is spread, proponents argue this would not increase costs. But every mandate has a

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cost." The wrenching issue of insurance coverage for autism aside, the Council on Affordable Health Insurance estimates that the typical mandate raises costs an average of one percent.

Quarrel with that estimate or not, but markets always respond to costs and to regulation, whether we want them to or not. Aside from cost disputes, there are questions about the efficacy of the specific autism mandate being advanced at the moment.

"What's being suggested is clinically unproven," Peterson said. "The medical profession has stated that there's no reason to believe behavioral therapy is any more effective than anything else. The results are described as marginal in any case, and these individuals will be wards of the state in any case. So you'd have the cost without any benefit, as best we can see."

At the state legislature, is the problem fiscal and medical ignorance, or partisan politics? "It's a combination of both those things," Peterson said. "Legislators are geared, we are wired, to please constituents and to please those who ask us for things, to say yes. We are ill-equipped to withstand this kind of pressure. And, there is no reward or little reward for saying no. People want, and need, relief. I understand that. But the only way to deal with issues like mandates is to arm yourself with knowledge and understand there are consequences, sometimes serious consequences, that cause more harm than good."

### **Mandates Increase the Number of Uninsured**

Specifically, he says, "One consequence of increasing mandates is clear: There are proportionately more uninsured people than there were before. Small business clients who want to provide health insurance can no longer afford it. I can't go along with such a mandate, especially when we are in a full-blown crisis in terms of basic coverage."

How many lobbyists and citizens are roaming the halls of the legislature demanding more mandates—or taxes or regulations or interference in the economy—versus how many are defending economic freedom?

"The answer is simple," Peterson said. "There are very few out here at the capitol defending market principles and limited government. I'd say the proportion is about nine out of 10 are in the first category. And, that's probably an under-estimate. The people who will be uninsured if we pass this or many mandates like it, I guarantee you they will never be heard. They are, from a political standpoint, unrepresented. In general, the special interests are well represented. The taxpayers are underrepresented.

"Our leadership is not prepared to pass a mandate given the crisis we face in access to insurance. This is a philosophical objection, and an honest one."

Peterson continued: "With health care in general, the government has set rules that must be observed. I accept that is where we are. But there are already some 30 mandates on the books. Instead of creating more, we need to bring consumerism into the system, a sense of allowing individuals to control their own destiny. We should allow more options.

"For the most part, now, those with coverage have either self-insurance of a sort that allows lower-cost insurance premiums to protect primarily against catastrophic events, or they have standard policies with coverage and co-pays. Most of the products are non-differential. To make an analogy, most of those covered are either walking or they're driving a Lexus. We need a greater range of choices, to let consumers drive the market instead of government."

Looking to the future, Peterson said he will not change his basic principles, but he reflects, "As for families who face conditions like autism, I have great compassion for them. I'm just not willing to make insurance even less affordable for those who are already having trouble getting and keeping basic health insurance coverage."

### **Profiles in Courage**

OCPA believes in freedom—economic freedom and educational freedom. This spring we have spotlighted Democratic legislators for their truly courageous leadership on the issue of school choice.

For standing up to the regnant assumption that virtually every human problem requires a government solution, and for bringing the party of conservatives along with him, we're pleased to recognize Rep. Ron Peterson as a profile in courage. ✪

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