

Healthy Utah would provide stability

By Sven Wilson

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The (Healthy Utah) plan would provide a measure of economic stability to the poor, thereby strengthening their marriages, families and communities. That stability has immense economic value.

There is considerable disagreement among economists about whether the ACA, also known as Obamacare, will hurt the national economy, particularly the job market.

In contrast to this murky economic debate is the crystal clear choice now facing Utahns: Will we find a political pathway to use the federal dollars already allocated to the state, or will we continue to let the poorest Utahns suffer while we waste hundreds of millions of taxpayer dollars through inaction?

The economics of Gov. Gary Herbert's Healthy Utah plan are simple and powerful. They bring money into the state, will save hundreds of millions in uncompensated health care, will strengthen the insurance industry and will improve the fiscal picture for the state and county governments.

Moreover, the plan will provide a measure of economic stability to the poor, thereby strengthening their marriages, families and communities. That stability has immense economic value.

Simply put, Gov. Herbert's plan makes economic sense given our political realities.

A recent op-ed in these pages by J. Scott Moody tries to muddle this clear choice by making the nonsensical argument that the governor's plan will actually hurt the state economy.

Moody misapplies the basic economic concept of "crowding out," in which government spending in a market for a good can push out spending by private individuals. In health care economics, it is not clear whether there will be much crowding out. We know for sure, however, that there will lots of "crowding in" as people gain access to care.

The net economic effect of the Healthy Utah plan will be to increase spending in the Utah health care market. This is not a debatable point among economists.

If we could somehow stop paying taxes to support the ACA, we might find an alternative to Healthy Utah. But at this point we are already paying for the ACA through mandated federal taxes. Stomping our feet and saying “No!” to President Obama will not bring our tax dollars back.

Many economists argue that spending on Healthy Utah will further expand the economy by generating new jobs and new private spending as the money works its way through the economy. Economists call this effect a multiplier. As a conservative, free-market economist, I think multipliers are generally small. But no serious economist of any political stripe thinks the multiplier is negative, which is what Moody is suggesting.

Imagine someone saying that when tourists spend their money in our state, their purchases end up costing us jobs and hurting our economy. Who would believe that? But that is exactly the argument Moody is making about Healthy Utah.

Voters get this, which is why a scientific poll that explains the plan in unbiased language shows that 88 percent of likely voters in the state support the plan rather than doing nothing. They support the governor because his plan reflects the state’s conservative political values.

Let me explain to Mr. Moody a very basic principle of economic policy: Don’t throw money away. He says that the money used to fund the plan is not “free.” I could not agree more. We are paying dearly for it, yet we are effectively throwing away millions of dollars every week by inaction.

I can understand making sacrifices and standing up for principle against federal policies we don’t like. But I do not admire those who stand up for principle and make the least advantaged among us — those with desperate lives and bleak prospects — pay the price.

We are smarter than that. We are better than that.

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