

*“It is an affront to treat falsehood with complacency.”* Thomas Paine

# CAMPUS REPORT

May 2010 | Volume XXV, number 5



## REVISING HEALTH CARE HISTORY

*By: Bethany Stotts*

When someone else pays the bill, guess who gets to decide how much health care you get?

Virtually all health care reform plans embraced by politicians from both parties and concocted by academics only add to the problems already in the system, according to a veteran journalist who has been covering the issue since President Lyndon Johnson signed the Medicare bill into law. Unclear price signals in the health care sector have led to a market imbalance, argued M. Stanton Evans at Accuracy in Academia's February authors night, during which he discussed AIA's new textbook *Voodoo Anyone? How To Understand Economics Without Really Trying*.

Evans wrote one of the forewords for the book which he also inspired. He worked with the author, the late Christopher T. Warden, when both were on the faculty at Troy University and employed him as an editor at the National Journalism Center, which Evans founded.

The book, which was originally geared toward journalists, is meant to help average Americans understand economic concepts in health care, education, energy and other sectors. "The one thing that you need to understand, all of us need to understand, to solve some of these riddles is *prices*, the function of prices," said Evans during the lecture.

He argued that the problem with health care in America is third-party payment, or indirect pricing of goods, in which someone other than the consumer pays for them at the point of consumption. In the current political environment, he said, the consumer is charged a very low price for his or her health care, and then the person supplying the product is rewarded with a "guaranteed profit" by the government itself or an insurance company responding to federal rules and incentives.

"Third-party payment is what is driving the system," argued Evans. "There are other problems too but that is, that's the engine that drives the whole thing."

Evans also criticized Congress and the President for using greater third-party payment as a solution to the na-

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tion's health care woes. "The main thing that they're all proposing, President Obama and the people in Congress—including some of maybe the people you work for, [I] won't name any names—to deal with a problem created by third-party payment [is] we need more third-party payment!" said Evans.

Instead, Evans argued, the solution is to get consumers to pay for their health care consumption as directly as possible. However, unlike plans which would tax employer-provided insurance, he argued that instead lawmakers should allow employers to give their workers access to the same money as tax-free cash which could be placed into a flexible spending account primarily designed to pay for health care premiums but which

could be used for other expenditures.

"Untax the cash and offer that cash—it's the same money—it's not [going to have] fiscal consequences with the government whatsoever," he said. "It's untaxed now, it'll be untaxed then."

In lieu of such substantive reforms, Evans urged attendees to not be dismayed by legislative stalemates, such as the one that was ongoing on the night he gave his speech. "Gridlock is the next best thing to having a Constitution," argued Evans at the author's night.

*Bethany Stotts is a staff writer at Accuracy in Academia.*

## SQUEAKY CHALK

*by Deborah Lambert*



### FAKE THE HATE

Author/commentator Mark Steyn described the left's over-reaction to the Capitol Hill Tea Party held the weekend before the final health care vote as "The Democrats' Fake Hate Crime." Steyn noted at the *National Review* blog *the Corner* that when the group of black Congressmen "chose to walk en masse through a crowd of protesters," they believed that "the knuckle-dragging Tea Party goons they and their media pals have reviled for a year now would respond with racial epithets.

"And then when the crowd didn't, the black Congressmen made it up anyway. Rep. Andre Carson (D-Ind) insisted he heard the N-word 15 times . . . At a scene packed not only with crews from the Dem poodle media but with a gazillion cellphone cameras, not one single N-word has been caught on audio. . .

"But that's what the Democratic Party has been reduced to – faking hate crimes as pathetically as any lonely, mentally ill college student. Congressmen Carson, Lewis, Cleaver and the rest have turned themselves into the Congressional equivalent of the Duke University stripper."



### PRO-LIFE COLLEGE EVENT HURTS FEMINISTS' FEELINGS

Author/commentator John Leo recently noted in *MindingtheCampus.com* that "the Duke University women's center cancelled a discussion of student motherhood as 'upsetting and not OK' because the sponsoring group, Duke Students for Life, was holding a pro-life event elsewhere on campus.

"A spokesman for the center said the pictures at the 'Week for Life' event were 'traumatizing,' perhaps because he was under the impression that body parts of aborted babies were being shown. Actually the pictures featured various stages of fetal development, based on sonograms. . . The center allows pro-choice speakers but not pro-life ones. The mission statement of the center, . . . in addition to firmly opposing ableism and heterosexism says: 'We ascribe to a broadly defined, fluctuating and inclusive feminist ideology that welcomes discordant viewpoints from varied experiences.'

"Not too inclusive and not too discordant, though," according to Leo.



### REVENGE OF THE NERDS

Like it or not, the Barbie doll has come of age. Not only has she cast aside her romantic relationship

# SQUEAKY CHALK



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with former boytoy Ken, but the Barbie has accurately tracked and/or foreshadowed the multi-faceted career paths of young women over the past 40 years.

Early in 2010, toymaker Mattel held an “election” and asked young girls around the world to vote on Barbie’s next career on the website Barbie.com, according to the Wall Street Journal. What happened next “blew us away,” said Mattel spokesmen.

Given choices of anchorwoman, computer engineer, environmentalist or surgeon, at least 600,000 girls cast their votes for “anchorwoman,” based on the success of Katie Couric and others in the field.

However, Mattel had not counted on the explosion of adult female votes being cast for the computer engineer option. In fact, when female computer engineers found out about the election, they suddenly launched a viral Internet campaign to help ensure that their candidate could win the race.



Title IX Barbie

Not only did the Chicago-based Society of Women Engineers notify its 20,000 members, but groups like the blog GeekGirlsCamp.com urged kindred spirits to “please help us in getting Barbie to get her geek on.” Other computer groups urged Mattel not to put them in lab coats so that they looked like nerds.

The result? Mattel finally announced two winners – the girls’ “anchorwoman Barbie,” and another “computer engineer Barbie,” based on the adult popular vote.

While some female techies already believe the “sparkly leggings and pink accessories” that adorn the new Barbie are “over the top,” and others find the color pink “condescending,” online video technology entrepreneur Veronica Belmont admitted that “if it will get little girls . . . to play with computers, it’s a good start.”



## HEALTH CARE’S PERPETUAL CRISIS

by M. Stanton Evans



*Following are excerpts of remarks veteran journalist M. Stanton Evans made at an Accuracy in Academia author’s night in February in*

*connection with the publication of AIA’s textbook, **Voodoo Anyone? How to Understand Economics Without Really Trying.***

We have a situation in which the health care economy is consuming more and more and more of our resources. Why is this? Why is it [that we] have these runaway costs, we have this expanding sector of health care spending, we have all kinds of problems in terms of the Medicare and Medicaid programs with private health insurance, premiums going through the roof, taxes going through the roof. Why is this? Nobody knows, they’re just totally confused [and] it’s just impossible to understand. But it’s not if you know the Econ.

Our health economy is based on, now, something called third-party payment, which means that somebody other than the patient is paying for most of the health care they receive so that if you want to get health care in our day and age, you go to the doctor or the hospital and you sign some kind of form and the bill is sent to somebody else to pay, by and large. Not all of it, the copays and so on, but the vast bulk of it is.

Well, in that event, what do you care how much it costs?

You don’t really. It’s valued resource, it’s a valued service, so that ‘yeah, well I okay, I’m signing here, give me the health care.’

This is another question of price.

The perceived price by the consumer is very very low compared to the value of the service and we have [and] this is now pervasive in our economy. The way we fi-

# HEALTH CARE'S PERPETUAL CRISIS

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nance almost all health care is through so-called “insurance,” although it’s not really insurance. That’s another issue. And for a long time—they’ve changed this recently—they thought what can we do, what else could we do to screw this up royally and so, “I’ve got it. I know what we could do! We could reimburse the providers according to their cost.”

Yeah, that makes a lot of sense, so that, therefore, in order to get more money, you get more and more expensive health care and then you get reimbursed because you spent more money. Brilliant. So that you’re then charging the consumer the very low price and then rewarding the person supplying it—[it is] different in this respect—with a guaranteed profit. And we wonder why, gee, why is this stuff going through the roof. I don’t know. Gee, I’m just totally confused. That’s what’s going on here.

Third-party payment is what is driving the system. There are other problems too but that is, that’s the engine that drives the whole thing. [It’s been] going on for about forty or fifty years and it’s getting worse all the time. This is what brings on rationing. If we financed anything else as we do health care you would have very similar problems.

Suppose that you came to this pizzeria for lunch every day, or any restaurant along here, and you just could go into the restaurant and order anything you wanted and then sign a check for it and the bill is sent someplace else to be paid, not by you. Well, gee, that would be good. I would like that. And so I would then—maybe I wouldn’t be eating pizza, I might be eating

sirloin steak for lunch and maybe lobster or maybe bring me a couple splits of champagne over here waiter and we’ll sign that and send that check to somebody else to pay the bill.

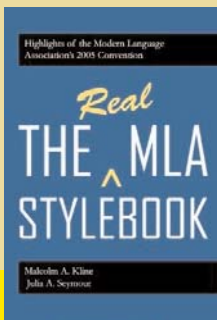
If we did that, if we financed *lunch*, lunch the way we finance health care, we would very rapidly develop a lunch crisis. Lunch. We would have to have a whole series of task forces to study lunch. What is wrong with lunch that it’s costing so much? What is going on here with lunch? And so then you would have maybe legislating over there.

They’d be having a summit in Blair House and the President [would say] ‘we’ve got to all of us work together on lunch to figure out how we can have a more rational lunch program in this country because we cannot continue. This is unsustainable lunch.’ So that—anything else would be the same problem.

It ain’t that complicated if you know anything about anything that’s in this book. Read this book. But they haven’t read this book. Now, Senator [Michael] Enzi has read the book. Good for him. He’s quoted from it. Bless him.

Barack Obama has not read this book, nor have a bunch of other people who are down there at this big old summit conference. God knows what they’ve come up with. What I fear is the stuff that they will be able to *agree on*. Fear that. If they agree on it, you know it’s wrong.

The main thing that they’re all proposing, President



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# HEALTH CARE'S PERPETUAL CRISIS

*Continued from page 4*

Obama and the people in Congress including some of maybe the people you work for, [I] won't name any names, to deal with a problem created by third-party payment we need more third-party payment! That's what we need, more! Do more of this. Yeah, that's the ticket. Yeah, yeah.

So that's what they're doing. My favorite is [that] they, oh they're agreed—Republicans too, by the way—that we need to ensure for preexisting conditions. Preexisting conditions.

Now think about that. You're already sick and well, we're going to make the insurance companies insure for that. Well, how do you insure for something that's already happened? I don't know if you've studied the insurance industry very much but the whole idea of insurance is that you insure on something that might or might *not* happen and you're paying a premium to be protected against something that might happen in the future.

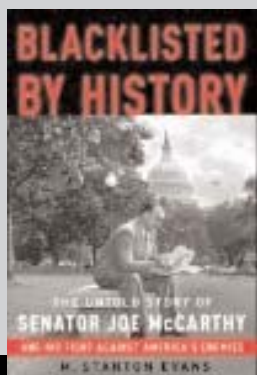
For example, home insurance. You don't have it yourself; I'm sure your parents do. You would not wait until your house burned down to go buy some insurance on it. You would not say 'uh, you know, I totaled my car yesterday, I better get some car insurance.' No, that's not insurance. But that's what we're talking about on health care, that they will cover preexisting conditions. If you're already sick—now it depends on how they define this—they will have to write insurance for that. Well what would this cost? A fortune,

perhaps.

That's the first thing that would happen. The second thing [that] would happen—and I've questioned some members of Congress about this in my years covering this stuff—is that if you can buy insurance when you're already sick, why would you buy it when you're well? Would you do that? You would not do that, would you? No. If I wait until I'm sick, well I'm not sick now, but oh I'm sick now—now I'll buy the insurance. Hello, this makes no sense. So, the answer is you would not buy insurance if you're well, you wait until you're sick and then you buy it. Well that is why, that's what the problem with the uninsured is really about.

This stuff about the uninsured being victims, that's malarky. They're viewed as villains. Why, because they're not paying into the system and if you're gonna insure all these uninsured people and subsidize their coverage, you've got to go get the money some place and if you have a system in which all the well people are not participating and only sick people are in the system, the payments are going to go even higher. So those uninsured people must be brought in. That's why there is a mandate. That is why you will be fined and punished if you don't have health insurance. That is what is going on here.

It makes no sense economically. It makes some sense politically, which is why they're doing it, because it aggregates more power to the government at the ex-



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# HEALTH CARE'S PERPETUAL CRISIS

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pense of the individual. That's what's really driving it.

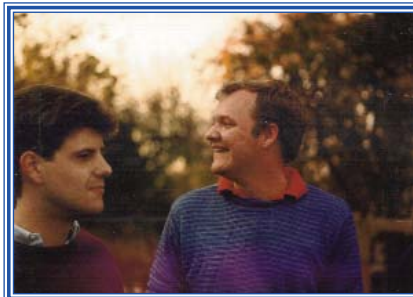
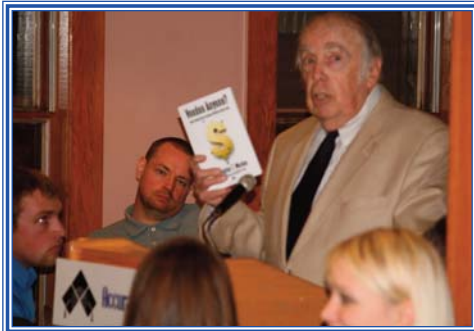
They don't understand—maybe they do understand the economics, which makes it worse—but I think they don't. But they do understand the politics and the politics is more power for the government, less power

for you. That is what is going on here.

*The author of more than a half-dozen books and the founder of the National Journalism Center, M. Stanton Evans also served as the editorial page editor of The Indianapolis News for a decade and a half.*



M. Stanton Evans receives the 2009 Reed Irvine lifetime achievement award for investigative journalism from Accuracy in Media chairman Don Irvine.



AIA executive director Mal Kline with Chris Warden when the former served as assistant editor to the latter at the National Journalism Center in the 1980s.



The late Christopher Warden with American Journalism and Troy University alum Emily Ham, M. Stanton Evans and AIA director Mal Kline

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# DIRECTOR'S CORNER

By Malcolm A. Kline



May, 2010

Dear Reader,

If the leaning Tower of Pisa tilted as far left as academia does, the entire edifice would be lying on its side on the ground:

1. “Considering the prevalence of Democratic party support on college campuses, one would expect professors to lean toward said party, yet with the reemergence of Republican support in Massachusetts, one would logically anticipate a rise in donations to the Republican party,” Morgan Chalfant reports in *The Observer* at Boston College. Actually, Leigha Caron of the Leadership Institute found that donations to the GOP totaled 6 percent of faculty political gifts. “Speaking as one of the five who gave to Republicans, I’m not surprised,” Associate professor Dennis Hale of the Boston College Political Science Department told Chalfant. “These numbers of course have no relation to ‘Boston’ or ‘Massachusetts,’ but reflect simply the views of college professors.” We should note, though, that Sen. Scott Brown, R-Mass., will be giving the commencement address at BC’s law school.
2. “On January 6, students at Stanford Law School received an email from Professor George Fisher (and signed by other faculty members) discouraging them from interviewing with Air Force JAG Corps recruiters,” Patrick Coyle of the Young America’s Foundation pointed out in an article that appeared in *inFocus* magazine, published by the Jewish Policy Center. “Stanford arrogantly demanded the right to decide who their students should interview with and Dr. Fisher was eager to detail the school’s lengthy fight against the Reserves Officers’ Training Corps (ROTC) and “Don’t Ask, Don’t Tell” in his correspondence.”
3. New York University’s law school staged a panel to promote the UN Convention for the Elimination of Discrimination Against Women (CEDAW), a story by Terrence McKeegan for the Catholic Family Rights Institute shows. The adoption of CEDAW would promote abortion on demand internationally and sacrifice American sovereignty in the bargain, McKeegan argues.

For our part, at Accuracy in Academia, we do hundreds of original stories similar to the ones above every year on about as many professors and universities that serve to show you just how much bias and misinformation there is in academia, despite what academics say. We could not go on without you.

All the best,

A handwritten signature in black ink, appearing to read "Mal Kline". The signature is fluid and cursive, with a large initial "M" and "K".

**Mal Kline**  
Executive Director

# Voodoo Anyone?

How to Understand Economics Without Really Trying



by  
**Christopher T. Warden**

Forewords by M. Stanton Evans & Malcolm A. Kline

  
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