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The Whole Foods Alternative to ObamaCare

Eight things we can do to improve health care without adding to the deficit.

By JOHN MACKEY

"The problem with socialism is that eventually you run out of other people's money."

—Margaret Thatcher

With a projected \$1.8 trillion deficit for 2009, several trillions more in deficits projected over the next decade, and with both Medicare and Social Security entitlement spending about to ratchet up several notches over the next 15 years as Baby Boomers become eligible for both, we are rapidly running out of other people's money. These deficits are simply not sustainable. They are either going to result in unprecedented new taxes and inflation, or they will bankrupt us.

While we clearly need health-care reform, the last thing our country needs is a massive new health-care entitlement that will create hundreds of billions of dollars of new unfunded deficits and move us much closer to a government takeover of our health-care system. Instead, we should be trying to achieve reforms by moving in the opposite direction—toward less government control and more individual empowerment. Here are eight reforms that would greatly lower the cost of health care for everyone:

- *Remove the legal obstacles that slow the creation of high-deductible health insurance plans and health savings accounts (HSAs).* The combination of high-deductible health insurance and HSAs is one solution that could solve many of our health-care problems. For example, Whole Foods Market pays 100% of the premiums for all our team members who work 30 hours or more per week (about 89% of all team members) for our high-deductible health-insurance plan. We also provide up to \$1,800 per year in additional health-care dollars through deposits into employees' Personal Wellness Accounts to spend as they choose on their own health and wellness.
- *Money not spent in one year rolls over to the next and grows over time.* Our team members therefore spend their own health-care dollars until the annual deductible is covered (about \$2,500) and the insurance plan kicks in. This creates incentives to spend the first \$2,500 more carefully. Our plan's costs are much lower than typical health insurance, while providing a very high degree of worker satisfaction.
- *Equalize the tax laws so that employer-provided health insurance and individually owned health insurance have the same tax benefits.* Now employer health insurance benefits are fully tax deductible, but individual health insurance is not. This is unfair.
- *Repeal all state laws which prevent insurance companies from competing across state lines.* We should all have the legal right to purchase health insurance from any insurance company in any state and we should be able use that insurance wherever we live. Health insurance should be portable.
- *Repeal government mandates regarding what insurance companies must cover.* These mandates have increased the cost of health insurance by billions of dollars. What is insured and what is not insured should be determined by individual customer preferences and not through special-interest lobbying.
- *Enact tort reform to end the ruinous lawsuits that force doctors to pay insurance costs of hundreds of thousands of dollars per year.* These costs are passed back to us through much higher prices for health care.
- *Make costs transparent so that consumers understand what health-care treatments cost.* How many people know the total cost of their last doctor's visit and how that total breaks down? What other goods or services do we buy without knowing how much they will cost us?
- *Enact Medicare reform.* We need to face up to the actuarial fact that Medicare is heading towards bankruptcy and enact reforms

that create greater patient empowerment, choice and responsibility.

• *Finally, revise tax forms to make it easier for individuals to make a voluntary, tax-deductible donation to help the millions of people who have no insurance and aren't covered by Medicare, Medicaid or the State Children's Health Insurance Program.*

Many promoters of health-care reform believe that people have an intrinsic ethical right to health care—to equal access to doctors, medicines and hospitals. While all of us empathize with those who are sick, how can we say that all people have more of an intrinsic right to health care than they have to food or shelter?

Health care is a service that we all need, but just like food and shelter it is best provided through voluntary and mutually beneficial market exchanges. A careful reading of both the Declaration of Independence and the Constitution will not reveal any intrinsic right to health care, food or shelter. That's because there isn't any. This "right" has never existed in America

Even in countries like Canada and the U.K., there is no intrinsic right to health care. Rather, citizens in these countries are told by government bureaucrats what health-care treatments they are eligible to receive and when they can receive them. All countries with socialized medicine ration health care by forcing their citizens to wait in lines to receive scarce treatments.

Although Canada has a population smaller than California, 830,000 Canadians are currently waiting to be admitted to a hospital or to get treatment, according to a report last month in Investor's Business Daily. In England, the waiting list is 1.8 million.

At Whole Foods we allow our team members to vote on what benefits they most want the company to fund. Our Canadian and British employees express their benefit preferences very clearly—they want supplemental health-care dollars that they can control and spend themselves without permission from their governments. Why would they want such additional health-care benefit dollars if they already have an "intrinsic right to health care"? The answer is clear—no such right truly exists in either Canada or the U.K.—or in any other country.

Rather than increase government spending and control, we need to address the root causes of poor health. This begins with the realization that every American adult is responsible for his or her own health.

Unfortunately many of our health-care problems are self-inflicted: two-thirds of Americans are now overweight and one-third are obese. Most of the diseases that kill us and account for about 70% of all health-care spending—heart disease, cancer, stroke, diabetes and obesity—are mostly preventable through proper diet, exercise, not smoking, minimal alcohol consumption and other healthy lifestyle choices.

Recent scientific and medical evidence shows that a diet consisting of foods that are plant-based, nutrient dense and low-fat will help prevent and often reverse most degenerative diseases that kill us and are expensive to treat. We should be able to live largely disease-free lives until we are well into our 90s and even past 100 years of age.

Health-care reform is very important. Whatever reforms are enacted it is essential that they be financially responsible, and that we have the freedom to choose doctors and the health-care services that best suit our own unique set of lifestyle choices. We are all responsible for our own lives and our own health. We should take that responsibility very seriously and use our freedom to make wise lifestyle choices that will protect our health. Doing so will enrich our lives and will help create a vibrant and sustainable American society.

Mr. Mackey is co-founder and CEO of Whole Foods Market Inc.

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