

# GENETIC DISCRIMINATION

by Cliff Cobb

Henry George believed that all humans have an equal right to the fruits of nature and to value produced socially. Combining equal access to those goods with liberty, he believed, would unleash the untapped potential of people to live in harmony.

Because of the magnitude of its importance in determining economic outcomes, George focused his attention on the land question. Without equal access to the value produced by desirable locations, particularly in cities, concentrated ownership would inevitably produce a caste society. Economic slavery, he perceived, was only slightly better than chattel slavery.

Although modern Georgists continue to focus on the injustices associated with concentrated ownership of urban land, it is important to consider other applications of George's general principles. Gifts of nature are not limited to land, water, and air. Humans are also part of the natural order, and our health is, in part, a gift. What is not clear, however, is how the principle of equal access can be applied to innate healthiness. People are born with different genetic endowments. At least for the time being, genetic engineering can do nothing to alter that. (If and when that changes, that will make the distribution of natural wealth even more important. Otherwise, the privileged few will be the only ones who can avoid inherited pathologies.) Given those differences, it is impossible to create a system that provides equal health to everyone.

Egalitarian outcomes (equal health) are not at issue, however. The problem for our society, at least until genetic engineering changes conditions radically, is genetic equity. By "genetic equity," I mean the right of individuals to be treated as part of a general population in gaining access to health care and not

to be discriminated against on the basis of genetic inheritance.

As a practical matter, the violation of genetic equity occurs whenever someone is required to pay more for health insurance, or excluded it from it entirely, based on a pre-existing condition. (There is, however, a difference between discriminating on the basis of risky behavior, such as smoking, and discriminating on the basis of a family history of a particular illness.) It is understandable why insurance companies would want to differentiate on the basis of predictable risks. If they can discriminate against people with a higher probability of major illness, they can lower premiums and reap higher profits. But what makes sense to a player within a system may not make sense from the perspective of the system as a whole.

A simple way to think about the equity of the current system is to ask whether you would prefer to be born into a society that prohibited the exclusion of people with genetically-based illnesses from health coverage or a society that permitted such exclusion. If you had your life to live over again, and you knew that you might return with a hereditary illness, would you want to risk your whole life in order to pay lower insurance premiums if you happened to be healthy? Only two categories of people would logically choose a system that permitted exclusion: high-stakes gamblers and those who believe that poor health is a sign of divine punishment. The fact that we have such a system today says a lot about our public theology.

Many would argue that the only equitable solution is a system of universal health coverage, managed by the government. Perhaps that is true, but it overlooks the problem of "moral hazard," a technical term that refers to the reduction of personal

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responsibility that occurs under any system of insurance. People who go to the doctor every time they have a cold "because it's free" are a prime example of that. So, it is important for any health care finance system to preserve incentives for individuals to solve minor problems on their own.

Whatever form the details of a health care system might take, it is important to determine the principles on which it should be based. For reasons explained above, the Georgist principle of equity does not entail equal access to a healthy life. Nature does not permit that. Instead, the Georgist position should be to conceive of risk as a natural liability and to recommend that we all share equally in it, just as we should be allowed to share equally in the assets that nature provides. No one should be excluded from an insurance pool based on natural inheritance, just as no one should be excluded from value produced by nature. Since insurance carriers and the genetically well endowed will pursue their own interests in the market, it is important for government to intervene to serve a social good. **Q**

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