

or even worse, hurt patients with overtreatment. They use electronic health records to assess quality and check for needed care that patients or their doctors may have missed.

To replicate the success of low-cost, high-quality delivery systems throughout the country, Medicare should be broken into regions and overseen by regional medical directors. These directors would then join with local coalitions of consumers and employers to experiment with new ways of paying for care and assessing the quality. Following the lead of Mayo and other regional coordinators, they would develop new payment models that require doctors and hospitals to be accountable for the cost and quality of care.

There is a federal precedent for the regionalization of federal health care programs: From 1994 to 1998, the Veterans Administration (VA) cut hospitalization rates in half and improved care for all veterans, thanks to a Clinton Administration initiative that brought VA hospitals and clinics under regional management. According to research published in the *New England Journal of Medicine*, this sweeping change involved beefed-up access to primary care for veterans with chronic illnesses in order to avoid hospital care. The results showed that veterans were no worse off, and in several areas such as heart disease, they were actually better off. Now, it's time to do the same for Medicare. ▀

Deepen Gun Ownership

Jim Kessler

In recent election cycles, the greatest feat of liberal tight-rope walking has occurred not over abortion, but gun safety. Candidates talk about renewing the assault weapons ban, then mumble something about the rights of hunters. But there is a better way to take on this issue—one that would yield real reductions in violence without adversely impacting law-abiding gun owners.

There are 280 million firearms in private hands in America, and last year there were about 300,000 gun crimes. That means that at least 279,700,000 guns did nothing wrong. We also know that in 89 percent of crimes, the person using the gun was not the person who originally bought it. In 34 percent of crimes, the firearm was bought in one state and used in a crime in another. And in 32 percent of crimes, the firearm was less than three years old.

This indicates that the root of America's gun crime problem is not the number of guns in the hands of Americans, but an extensive web of gun trafficking

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operations that funnel firearms to criminals. In some cases, the trafficking operations cover long distances. Nearly 40 percent of all crime guns recovered in New Jersey and New York came from Virginia, Georgia, Florida, and the Carolinas. Nine out of 10 crime guns changed hands between the first purchase (which was likely legal) to the last purchase (which was certainly illegal). What we need, then, is a new national strategy to reduce gun violence: Don't restrict gun rights, but instead deepen the sense of gun ownership.

The first step is to make gun trafficking a federal crime, not a term of art. There is only one statute on the federal books that deals even indirectly with gun trafficking—a vague, loophole-ridden law that allows only federally licensed gun stores “to engage in the business” of dealing in firearms. Since federal law allows any individual to sell his or her own firearms to anyone else, the “engaged in the business” bar is virtually insurmountable. And since any individual may also sell firearms without performing a background check, asking for identification, or keeping any sort of record, the requirement that individuals not knowingly sell to criminals is merely a suggestion. That is why federal prosecutors in 29 states filed five or fewer cases related to trafficking behavior over a recent three-year period.

Trafficking should be redefined as selling multiple guns out of a home, car, street, or park that have two or more of the following characteristics: obliterated serial numbers, are stolen, are new in the box, or are sold to underage buyers or people with felony records. This would still allow individuals to privately sell firearms to people they know or trust, and it would put the onus on sellers to demand a background check for those they don't.

Beyond the new law, finding traffickers isn't that hard. Investigators can readily aggregate the crime gun trace data that we now have—data that identifies the original buyers and sellers of hundreds of thousands of guns later used in crime. They will discover that about 1 percent of the nation's gun stores are the source of more than half of the nation's crime guns. And they will discover that a select group of individuals repeatedly turn up as the original purchasers of guns later linked to crimes. This is not a quirk of fate; these people are gun traffickers.

Moreover, investigators can easily check every gun recovered in a crime against the National Stolen Firearms Registry, which contains the serial numbers of two million stolen guns. Under federal law, possession of a stolen firearm adds five years to a prison sentence. True, the criminal apprehended with a stolen gun is usually not the person who lifted it. But those five years are a great bargaining chip—one state and federal prosecutors consistently leave on the table—to determine the person who actually sold the criminal the gun. Play

the same game with obliterated serial numbers—another five-year penalty under federal law. An obliterated serial number hides the trafficker and provides no benefit to the person using the gun in a violent crime.

Finally, we need to close the gun-show loophole. It is no coincidence that 13 of the top 14 crime-gun-exporting states do not require background checks for sales at shows. This loophole is exploited by buyers who obtain used guns to resell on the streets.

What ultimately matters isn't the number of guns. It's the number of bad people who have them. With a national firearms trafficking strategy, we can pull the roots out of the illegal operations that kill and destroy people and communities. ▀

Community Insurance

Robert Lawrence

While some economic shocks are of sufficient magnitude to reverberate across the nation and trigger macroeconomic policy responses, many are confined to particular cities, counties, and states. These local shocks take many forms: plant and base closures, crop failures, industrial restructuring, natural disasters, and property market slumps. And they can be extremely painful, not only for individuals, but also for communities.

When people are thrown out of work or suffer substantial declines in income, those who sell them goods and services lose their customers; in turn, they must lay off employees. People begin defaulting on mortgages and declaring bankruptcy. As the impact accumulates, property values fall and tax revenues slump.

Given the manner in which most local governments are financed—they are often legally constrained to balance their budgets—there are likely to be cut-backs in basic community services at precisely the time they are most needed. As local services decline, the quality of life deteriorates, and those who are mobile and best able to adapt to change often decide to leave. This further contributes to tax losses and declining property values. Even if they can borrow funds, local governments find their financing costs rise as the market assigns their debt higher risk premiums. This inability to respond increases the risk that a short-term shock could develop into long-term decline. If some lose faith in a community's future, there is a danger that their actions could turn into a

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