

WHAT MEDICARE-FOR-ALL SUPPORTERS WON'T TELL YOU

by Merrill Matthews, Ph.D.

One of the major policy debates of the 2020 presidential race will be “Medicare for All.” It even has its own acronym: M4A.

Medicare for All is a euphemism for a government-run, single-payer health care system, in which a government plan replaces private health insurance. Proponents have latched on to the Medicare for All name as a marketing ploy because most seniors like their Medicare coverage.

However, Medicare for All is not based on the Medicare program. Medicare as it exists today would be eliminated and replaced by a different government-run system.

Many Democrats have long supported single-payer health care—including Barack Obama, Nancy Pelosi and Harry Reid. They were just reluctant to admit it. No longer.

M4A will almost certainly be part of the 2020 Democratic platform. Indeed, most of the Democrats who have announced a presidential bid, or are considering one, now claim to prefer a single-payer system similar to the Medicare for All legislation proposed by Vermont Senator Bernie Sanders and a bill in the House that includes more than 100 Democratic cosponsors.

But while M4A proponents won't tell you about a single-payer system's numerous problems, we will.

THE FAILING HEALTH INSURANCE SYSTEM IS OBAMACARE

Democrats claim M4A is necessary because health care costs too much and the private insurance system isn't working. But that “system” they're criticizing is the Affordable Care Act, crafted and passed by only Democrats, which was supposed to provide excellent coverage with a wide range of affordable options.

If Obamacare had worked the way Democrats promised, there would be little need for Medicare for All. Democrats are now shamelessly asking voters to trust them to fix all the health care problems that they said Obamacare would correct but didn't.

HOW SINGLE-PAYER SYSTEMS CONTROL HEALTH CARE SPENDING

M4A proponents point out that single-payer countries spend less on health care—often much less—than the U.S. But that's not because those systems are more efficient.

Rather, in those countries politicians set the health care budget. The country is only allowed to spend a predetermined amount on health care.

Suppose a family spends \$400 a month on food. But a job layoff or unexpected expenses force it to cut back to, say, only \$200 a month.

No one would consider a 50 percent, top-down cut in the food budget efficient or a model for anything. And while the family may survive on the reduced amount, it likely won't be able to have what it enjoyed at \$400 a month.

That's essentially what happens in most countries with government-run health systems.

A government-set “global budget” for health spending is not the same as cutting waste or operating more efficiently. Indeed, when bureaucrats arbitrarily impose budget and price controls, they often increase waste and inefficiency.

IF YOU LIKE YOUR EMPLOYER-PROVIDED HEALTH COVERAGE, YOU CAN'T KEEP IT

President Barack Obama's “if you like your health plan, you can keep it” claim became Politifact's 2013 Lie of the Year—quite an accomplishment for a president.

But that's not even an option under the “full Bernie” single-payer plan. All traditional health insurance would go away, including the roughly 180 million workers and their dependents with employer-provided coverage.

According to the Employee Health Benefits Institute, 81 percent of workers with health benefits are satisfied with them. Those employees would lose that coverage under M4A.

SOME SINGLE-PAYER COUNTRIES ALLOW OPT-OUTS

Many U.S. single-payer advocates—including Sanders, the new House bill, and the group Physicians for a National Health Program—want everyone to be in the single-payer system. They believe that, if allowed, higher-income people would opt out of the national plan, reducing the pressure on Congress to keep the government program adequately funded.

It doesn't have to be that way. In Great Britain's single-payer system known as the National Health Service, people are allowed to opt out and buy private health insurance and pay private physicians. About 10.5 percent of the public takes that option, even though care through the NHS is essentially free.

While some Democrats would prefer a more limited "Medicare for More" buy-in option that would allow private insurance to continue, most of those driving the Democratic agenda believe everyone must be in the socialists' health care paradise to prevent a two-tiered health care system.

CARE WILL BE RATIONED

All government-run health care programs ration care. Some rationing is subtle, some is blatant. But they all do it.

When the government pays for health care, it must compete against other claims on government funding, such as welfare, defense and education. As a result, there is never enough money to go around. NEVER!

So politicians look for subtle ways to limit health care spending that affect smaller populations to free up money for other claims on government funds.

That means cutting at the margins, at least initially: the very old, the very young, and the very sick—i.e., people who typically don't vote.

Thus a 65-year old might be able to receive a pacemaker but perhaps not at 75 or 85. An otherwise healthy teenager hurt in a car accident might receive significant resources, while a premature infant with only a small chance to survive might not.

It may sound cruel but it makes sense. Given a zero-sum game, where a dollar spent on one patient is a dollar that can't be spent on another, maximizing the benefit is likely the best way to decide who receives how much.

Another way to ration is through waiting. For years the Vancouver-based Fraser Institute has published an annual list of waiting times in Canada.

Ironically, among single-payer systems waiting lines can be a feature, not a bug. When famed Canadian pediatric orthopedic surgeon Dr. Walter Bobechko invented a spinal clamp for children with scoliosis—known as the Bobechko clamp—that would help them leave the hospital in a few days rather than several weeks, he claimed hospital management criticized him. Those quicker departures opened up beds sooner, creating additional costs for the hospital's limited budget. Dr. Bobechko eventually left Canada to practice medicine in Texas.

The U.S., by contrast, generally has an open-ended health care spending system, even for the two largest government-run programs, Medicare and Medicaid.

However, because both programs impose price controls, patients may be denied certain therapeutic options—e.g., more expensive medical devices or pharmaceuticals—and doctors' offices may limit their Medicare and Medicaid patient loads, creating longer waits to see a doctor.

While there is already rationing for both Medicare and Medicaid patients, it is often limited and subtle. Under M4A rationing will be open and explicit—and widespread.

THE GOVERNMENT DECIDES WHICH TREATMENTS YOU CAN HAVE

Government-run health care systems decide how to allocate funds in two primary ways: cost vs. benefits or political power. If bureaucrats believe a new drug or medical device is too expensive compared to the benefits, they likely won't cover it—even if that is the best option for some patients.

Or the government may force patients to try the least-expensive options first, known as "step therapy" or "fail first," before trying a more expensive therapy. Indeed, that approach is already being proposed by Medicare as a way to save money.

Finally, diseases the media and prominent politicians care about most are likely to receive more funding than those less fashionable.

CONCLUSION

The same people who designed Obamacare, with all of its problems, now want the public to trust them with creating a whole new health care system.

Almost nothing they claim is true. Medicare for All will not save money, nor be more efficient, nor provide better care, nor reduce waste. Just look at the Veterans Administration, which the government has run for nearly 100 years.

Yes, there are problems with the current health insurance system, problems made worse by Obamacare. But if patients dislike it when an insurance company gets between them and their doctor, wait until a bureaucrat plays that role.

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