

The fraud of single payer health care

The consistent failures of single-payer health care worldwide are well-documented

Washington Times, By Scott W. Atlas, July 24, 2019

The Affordable Care Act (ACA) directly harmed America's health care, far more than just breaking promises about keeping your doctor and your insurance. Its extensive regulations made private insurance unaffordable, as premiums for individuals doubled and for families increased by 140 percent in four years, even though deductibles also increased substantially.

It funneled massive taxpayer dollars to add millions to substandard Medicaid insurance, widely known to have worse outcomes than private insurance and far less acceptance by doctors, even by doctors with contractual agreements to accept it. It dramatically reduced choice of hospitals and specialists for patients with private insurance, so that almost 75 percent of private ACA plans became highly restrictive. And it generated a record pace of consolidation across the sector, including anti-consumer mergers of doctor practices and hospitals that are associated with higher prices of care. The ACA was significantly damaging to patients and cost taxpayers enormously.

The antidote most Democratic presidential candidates now propose to the regulatory nightmare of Obamacare is the ultimate hyper-regulation of health care — socialized medicine, clothed in more pleasing terms like “public option” and “Medicare for all.” And their simplistic messaging is enticing; who wouldn't want “guaranteed, free health care?”

The answer to “who wouldn't want it?” is found in existing

single-payer systems all over the world, in countries with decades of experience, which offer those same “guarantees.” People with the financial means increasingly choose to circumvent single-payer systems for private health care. Even though they already pay £125 billion per year, equivalent to \$160 billion, for their single-payer health care, half of all Brits who earn more than £50,000 buy or plan to buy private health insurance, according to Statista 2017.

In Sweden, about 650,000 who can afford it buy private insurance despite already paying \$20,000 per family per year through taxes for their nationalized system, according to Insurance in Sweden 2015. And more than 250,000 Brits spend out-of-pocket cash for private care. According to the European insurance and reinsurance federation (CEA), private insurance in the EU bought by those who can afford it grew by more than 50 percent over a decade to 2010, specifically to fill the “ever growing gaps in coverage” in public health systems. Only the poor and the middle class are stuck with nationalized, singlepayer health care, because only they cannot afford to circumvent that system.

Americans should wonder why those with financial means would need to spend even more money than their already high taxes for something that is “guaranteed and free.”

Unbeknownst to Americans and hidden by single-payer advocates, consistent failures of single-payer health care are well documented, proven to be inferior to the U.S. system in important objective measures of access to care and quality. As a direct consequence of explicit restrictions on specialists, surgeries, drugs and technology, single-payer systems have factually worse outcomes than the U.S. system from almost all serious diseases, including cancer, diabetes, high blood pressure, stroke and heart disease. Advocates of single-payer care are disregarding established facts and ignoring decades of experience from countries with socialized medicine. Why should Americans voluntarily move toward a system proven worse than current U.S. health care?

Americans should also ask why the United States would move toward single-payer care, when countries all over the world with decades of single-payer experience now turn toward private health care to solve their failures. Even Sweden, often heralded as the paradigm of a successful welfare state, has failed its citizens in health care access. To fix their system, Swedish municipal governments have increased spending on private care contracts by 50 percent in the past decade. Primary care clinics and nursing facilities are now run by the private sector or receive substantial public funding.

Private sector competition has also been introduced into pharmacies to tear down the previous government monopoly over all prescription and non-prescription drugs. Even though England’s NHS is projected to hit a £30B funding shortfall in 2020-21, one of the very few areas where funding is increasing is to non-NHS providers. In 2016, the U.K. government spent more than half of its total budgetary increase from taxpayers on private and other non-NHS providers. Governments of Finland, Ireland, Italy, the Netherlands, Norway, Spain, Sweden and Denmark, all with single-payer care, now spend taxpayer money on private care, sometimes even outside their country, to solve their unconscionable failures to deliver adequate care.

What about our own government-run health programs? They are fraught with errors, fraud and waste. Medicare throws away \$60 billion of taxpayers’ money per year, by Government Accountability Office estimates. The Office of the Inspector General reported in February 2018 that “California made Medicaid payments of \$738.2 million (\$628.8 million Federal share) on behalf of 366,078 ineligible beneficiaries and \$416.5 million (\$402.4 million federal share) on behalf of 79,055 potentially ineligible beneficiaries.” And despite politicians vilifying private insurers, Medicare ranks at or near the top for the highest rates of claim refusals — more than nearly all comparison private insurers every year on the AMA Insurer Report Card. The truth is that more than 70 percent of seniors must rely on private insurance to supplement or replace traditional Medicare. Why would they do that if it was so satisfactory?

We know there is an alternative, but it is not easily encapsulated into a marketing slogan. Reducing the price of health care by competition, not over-regulation, will lower insurance premiums, reduce outlays from government programs and broaden access to quality care for everyone. Instead of compelling Americans to accept an inferior government-run system that universally restricts access to important drugs, technology and medical care to regulate costs, let's focus on creating conditions long proven to bring down prices while simultaneously improving quality in virtually every other good or service in America. That means giving patients control of the money to force doctors and hospitals to compete. Legislation and deregulation to generate cheaper, less bloated insurance that prevents catastrophic expenses; increasing the supply of competing medical care providers, and financially rewarding patients, including seniors, to seek value with their money would stimulate competition among doctors and hospitals, and markedly reduce the price of care. These reforms would permit all Americans, rich or poor, to access the same excellence of medical care that our American politicians all use for their own health care, including the most strident advocates of single-payer care for the rest of us.

Scott W. Atlas is the David and Joan Traitel Senior Fellow at Stanford's Hoover Institution and the author of "Restoring Quality Health Care: A Six Point Plan for Comprehensive Reform at Lower Cost" (Hoover Press, 2016).

https://washingtontimes-dc.newsmemory.com/?token=9ff690cc9fa7b078333445b20cc40051_5d39ca6e_6dbe28b&selDate=20190725