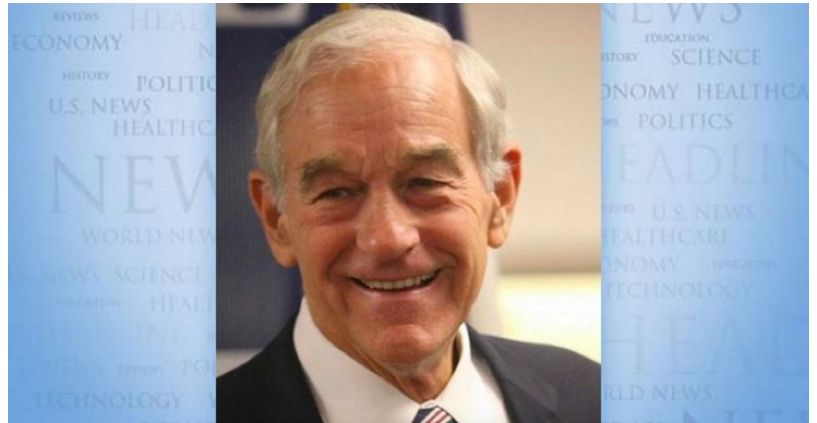




Written by [Ron Paul](#) on August 29, 2016

The Right Lessons From Obamacare's Meltdown

The decision of several major insurance companies to cut their losses and withdraw from the Obamacare exchanges, combined with the failure of 70 percent of Obamacare's health insurance "co-ops," will leave one in six Obamacare enrollees with only one health insurance option. If Obamacare continues on its current track, most of America may resemble Pinal County, Arizona, where no one can obtain private health insurance. Those lucky enough to obtain insurance will face ever-increasing premiums and a declining choice of providers.



Many Obamacare supporters claimed that the exchanges created a market for health insurance that would allow consumers to benefit from competition. But allowing consumers to pick from a variety of government-controlled health insurance plans is not a true market; instead it is what the great economist Ludwig von Mises called "playing market."

Unfortunately, if not surprisingly, too many are drawing the wrong lessons from Obamacare's difficulties. Instead of calling for a repeal of Obamacare and all other government interference in the health care market, many are calling for increased penalties on those who defy Obamacare's individual mandate in order to force them onto the exchanges. Others are renewing the push for a "public option," forcing private companies to compete with taxpayer-funded entities and easing the way for the adoption of a Canadian-style single payer system.

Even those working to restore individual control over health care via tax deductions, credits, and expanded health savings accounts still support government intervention in order to provide a "safety net" for the poor. Of course, everyone — including libertarians — shares the goal of creating a safety net. Libertarians just understand that a moral and effective safety net is one voluntarily provided by individuals, religious organizations, and private charities.

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Government has no legitimate authority to take money from taxpayers to fund health care or any other type of welfare program. Government-run health care also does not truly serve the interest of those supposedly "benefiting" from the program. Anyone who doubts this should consider how declining reimbursements and increasing bureaucracy is causing more doctors to refuse to treat Medicaid and Medicare patients.

Medicaid patients will face increasing hardships when, not if, the US government's fiscal crisis forces Congress to make spending cuts. When the crisis comes, what is more likely to be cut first: spending benefiting large corporations and big banks that can deploy armies of high-powered lobbyists, or spending benefiting low-income Americans who cannot afford K Street representation? Contrary to myth, low-income individuals did not go without care in the days before the welfare state. Private, charity-run hospitals staffed by volunteers provided a safety net for those who could not afford health



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care. Most doctors also willingly provided free or reduced-price care for those who needed it. The large amount of charitable giving and volunteer activity in the United States shows that the American people do not need government's help in providing an effective safety net.

The problems plaguing the health care system are rooted in the treatment of health care as a "right." This justifies government intervention in the health care marketplace. This intervention causes increasing prices and declining quality and supply. Ironically, those who suffer most from government intervention are the very people proponents of these programs claim to want to help. The first step in restoring a health care system that meets the needs of all people is to start treating health care as a good that can and should only be provided via voluntary actions of free people.

Ron Paul is a former U.S. congressman from Texas. This article originally appeared at the [Ron Paul Institute for Peace and Prosperity](#) and is reprinted here with permission.



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