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Written by **William P. Hoar** on December 10, 2018

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Correction Please

Seeking a Dangerous, Exorbitant Fantasyland? Choose "Medicare for All"

Item: *Vermont Senator Bernie Sanders, on the website pushing his "Medicare for All" scheme, proclaims: "Health care must be recognized as a right, not a privilege. Every man, woman and child in our country should be able to access the health care they need regardless of their income. The only long-term solution to America's health care crisis is a single-payer national health care program."*

Saying that the "Affordable Care Act [ObamaCare] was a critically important step towards the goal of universal health care," the site notes that "Bernie's plan would create a federally administered single-payer health care program."

Sanders also maintains that the "typical middle class family would save over $5,000 under this plan."

Item: USA Today *reported on October 23 that Democrats were backing "Medicare for All" in about half of the House races that they were then contesting. The paper also noted that about "two-thirds of the 193 Democrats in the House are already co-sponsors of a Medicare for all bill." In July, the report went on, Democrats launched a "Medicare for All" "congressional caucus with 70 founding members."*

In the Senate, a "Medicare for All" bill by Bernie Sanders already had "16 Democratic co-sponsors, including other potential 2020 presidential candidates."

USA Today *writers Nicole Gaudiano and Maureen Groppe also said: "About 6 in 10 adults favor a national health plan or Medicare for all system. Less than half did a decade ago. Progressives say they have polling on their side."*

Item: *Associated Press said in a "Fact Check" that appeared in newspapers across the country in early October: "'Medicare for All' means different things to different Democrats. For Sanders, the Vermont independent, it's a 'single-payer' system in which the government substitutes for private insurers and employers, paying for almost all medical care with tax money instead of premiums."*

For others, continued the wire service, "'Medicare for All' means allowing people to buy into a new government plan modeled on Medicare. That would move toward the Democratic goal of coverage for all, while leaving private insurance in place."

Correction: The underlying problem with socialist programs, as former British Prime Minister Margaret Thatcher famously remarked, is that you eventually run out of other people's money.

The Brits (as well as others burdened with socialized medicine) have had considerable experience in this regard. Sally Pipes, head of the Pacific Research Institute and author of *The False Promise of Single-Payer Health Care*, recently pointed to some of the consequences of the government-run National Health Service in the U.K., noting that hospitals there "are overcrowded and understaffed." She continued:

Nearly half of urgent and emergency care services at England's acute hospitals (which provide short-term care) are inadequate or require improvement, according to a recent report from the Care Quality Commission.

Last winter, nearly a quarter of patients at major emergency departments were unable to be admitted, transferred, or discharged within the NHS' four-hour goal. That's the worst performance in at least seven years.

Patients scheduled for treatment aren't faring any better. Over the past seven years, the number of children's operations canceled by the NHS has risen by 58 percent. And one in seven NHS hospital operations is canceled right before it's supposed to occur — often because of a lack of beds or staff.

That could be America's future under Medicare for All, which already has donned a cutesy nickname of "M4A" — perhaps to soften the image of raised fists and anachronistic demands for socialist "solidarity." Such plans are sometimes referred to as single-payer healthcare. The ones being bandied about in this country (under varying schedules) aim to convert the entire U.S. medical system and enroll every American into federal Medicare.

The Medicare for All Act, as promoted by Vermont Senator Bernie Sanders, a democratic socialist, would push everyone in the land — to include the uninsured and those covered by private health insurance and Medicaid — into a nationalized Medicare program.

Of course, it is a fact that when such proposals are discussed in general, without being burdened by the inevitable noxious details, they seem to be popular. However all that changes when the potential price tag is mentioned or when it is noted that current health plans might well be eliminated. That is just what happened last year during polling from the Kaiser Family Foundation. Support dramatically dropped when those questioned were told their taxes might be boosted or that the government might get "too much control over health care."

There is no free lunch. Inflicting Americans with a "single-payer" plan would not be a panacea. Indeed, we have already had bitter tastes of such plans on the federal level: Consider the Veterans Health Administration and the Indian Health Service, where shoddy care and long wait times are the norm. In fact, a Bernie-style, publicly financed plan was already tested in Vermont under Green Mountain Care. As the "liberal" London-based *Economist* acknowledged not long ago:

Even Democratic-led states that pondered enacting single-payer on their own balked when the cost became apparent. Efforts in Vermont, Mr Sanders's own home state, stalled once it became clear that an 11.5% surtax on payrolls and premiums up to 9.5% of income would be needed to fund single-payer insurance. Public support drops sharply once voters are reminded that taxes would have to rise to pay for Medicare for all.

There is a reason that single-payer plans are often likened to siren songs: In Greek mythology, the Sirens lured men to disaster.

Some relevant background follows.

Medicare was created in 1965 to provide health coverage for Americans age 65 and older. The program was expanded in 1972 for certain younger people with disabilities. It is also for people with end-stage renal disease and amyotrophic lateral sclerosis. There are different parts of Medicare that help cover specific services — hospital insurance (Part A), medical insurance (Part B), and prescription drug coverage (Part D).

Of course, as in most early sanguine government estimates, the actual costs "grow'd like Topsy." Congress predicted in 1965 that the hospital part of Medicare would reach $9 billion by 1990. Hardly.

By then it had grown to $60 billion. And, as *Investor's Business Daily* pointed out November 1, according to the Congressional Budget Office, the costs of Medicare "will more than double in a decade, going from $583 billion this year to $1.3 trillion by 2028."

Overwhelmed yet? Wait until you wade into Medicare's regulations.

There are about 60 million Americans currently covered by Medicare; this includes about nine million disabled people. In 2017, funding for the program accounted for 15 percent of federal spending; that is projected to increase to 17.5 percent of federal spending by 2027. The latest report issued by the Medicare Board of Trustees anticipates that Medicare's Hospital Insurance Trust Fund will be depleted by 2026, with Medicare's spending continuing to outgrow the trust's collective revenues.

All of this, keep in mind, is separate from the government program with a somewhat similar name, Medicaid, which is a joint federal and state program. Such programs vary by state and may have different names — such as "Medi-Cal." Medicaid provides "free" or low-cost health coverage to millions of Americans, including some low-income people, families, and children; pregnant women; the elderly; and people with disabilities. In August 2018, there were more than 73.1 million individuals enrolled in Medicaid and the separate Children's Health Insurance Program (CHIP) in the 50 states and the District of Columbia — about 66.6 million in Medicaid and 6.5 million in CHIP. We'll spare you from Medicaid's pains in the interests of space.

In truth, we can't afford the Medicare that we have now. With that in mind, only knuckleheads — or, to risk a redundancy, power-hungry politicians — would deem the best solution is to put all Americans on Medicare.

While many seniors have been led to believe that they have funded Medicare coverage into their own personal accounts (along with Social Security), the truth is that such benefits are the upshot of transfer programs. They require younger workers to pay for today's retirees. Medicare is a benefit, as noted by Chris Pope of the Manhattan Institute, that is "largely paid for by those who are in work — a subsidy worth an average of $13,087 per beneficiary per year." "Medicare for All," as he put it, "would flip this arrangement — imposing enormous tax increases on all, including seniors, to pick up all medical costs currently borne by employers and those able to work."

Keep in mind this nation's changing demographics. There were about five workers for each Medicare (and Social Security) recipient when the program started. That ratio is now about three to one. The number keeps dropping as baby boomers retire, heading to the two-to-one level by the 2030s.

This is what we are bequeathing to our children and grandchildren: When (to use a personal example) this writer's kindergartener grandson and his presumed future wife are adults, they — and each such couple in the land — will (in the words of one Manhattan Institute report) "basically be responsible for the Social Security and health care of their very own retiree."

Michael Tanner, a fellow at the Cato Institute and the author of *Going for Broke: Deficits, Debt, and the Entitlement Crisis*, has reminded us that the most recent estimate about when the healthcare program for seniors "will hit technical insolvency" was "three years sooner than last year's estimate. The program's worsening financial condition is traced to "higher-than-anticipated spending in 2017, legislation that increases hospital spending," and higher payments to Medicare Advantage plans.

Nonetheless, we are certainly pointed that way. Indeed, by some counts, there were 225 Democratic

candidates running during mid-terms who supported M4A. And on the other side of Congress, 16 Democrat Senators — including six seen to be running for president in 2020 — were cosponsors of Sanders' M4A bill.

If you prefer an employer-provided medical plan, keep in mind that M4A advocates want to outlaw it. As economist Stephen Moore wrote in his column in October, "Some 157 million Americans with employer health care plans — more than the entire population west of the Mississippi River — would be forced into Medicare. If you don't like that idea, tough. Bernie knows best."

The expense of imposing M4A would be mind-boggling. Charles Blahous, formerly a member of the Medicare Board of Trustees, earlier this year authored "The Costs of a National Single-Payer Healthcare System," published by the Mercatus Center at George Mason University. The working paper determined that the Sanders bill would cost an astounding *$32.6 trillion* over 10 years.

The study was widely misrepresented by M4A proponents, including by Sanders, because they claimed it proved that M4A would be an overall savings from the current path.

The Blahous paper (as subsequently emphasized by a Mercatus colleague) did find that *if all of the expectations of Sanders' bill were fulfilled*, "then from 2022 to 2031, total healthcare spending (again, by individuals, businesses, and governments) would decline by $2.1 trillion ($100 billion in 2022 alone)." But the paper repeatedly said, as pointed out by Robert Graboyes of Mercatus, that the senator's "expectations — severe cuts to provider reimbursement, significant drug price reductions, administrative cost savings, and stable long-term services utilization — are highly unrealistic and unlikely to pan out."

Despite the contentions of Sanders and other left-wingers, it was not Blahous envisaging that M4A would save $2 trillion. Such misleading conclusions, however, were drawn from, among others, ThinkProgress, Slate, Vox, and *The Nation* — the latter publication's headline read, "We Have More Proof that Single Payer Saves Money and Cares for All of Us." Rather, the Mercatus author said, clearly, that if Sanders' (extremely implausible) expectations were reached, the possible savings over 10 years might be that high.

Costs get short shrift by the Left. You didn't hear much about the projected annual tax increase of $26,000 for each U.S. household.

Even with the unwarranted and optimistic Sanders assumptions, the study calculated that establishing M4A would require more than doubling federal tax revenue over a decade. Moreover, even the doubling of corporate and individual income taxes would not cover the costs.

In the words of Blahous: "Doubling all federal individual and corporate income taxes going forward would be insufficient to fully finance the plan, even under the assumption that provider payment rates are reduced by over 40 percent for treatment of patients now covered by private insurance."

Meanwhile, time is not on our side.

Not long ago, we spotted a cartoon depicting a protester equipped with a sandwich board. "Get sick now," the sign declared, "while Medicare is still solvent." Sadly, the joke is on us, and it isn't particularly funny.

— William P. Hoar

Photo: AP Images

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