



Written by [William P. Hoar](#) on June 17, 2019

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Correction, Please!

Dem Plans Aim to Undermine Private Healthcare



Future of Medicare? Analysts have explained that Bernie Sanders' Medicare for All really means "Medicare for none" because Medicare, as seniors know it, would have to be undone to make way for a plan that would require government rationing of services. *(Photo credit: AP Images)*

Item: Vermont's independent Senator Bernie Sanders, in a piece in USA Today for May 6, says his proposed legislation (Medicare for All, or MfA), will save Americans from our "health care crisis." The self-identified socialist lawmaker, who is seeking the Democratic presidential nomination, bemoans the millions who are without health insurance, as well as the many more millions with employer-based insurance who are — in his words — "being fleeced by skyrocketing premiums and prescription drug prices."

But, says Sanders, "We can guarantee health care as a right to all by expanding Medicare, the most popular and successful program in American history."

The senator goes on: "Unlike private insurance, Medicare does not threaten to bankrupt people in order to enrich greedy CEOs. Instead, it guarantees coverage. Now here's more good news: By expanding that coverage to everyone, we will save Americans money."

Item: News website Axios for April 30, in a feature on how Democratic candidates stand on Medicare for All, noted that all such major candidates have been "laying out plans for universal health-care coverage, with Medicare for All overpowering the conversation." All have "said they believe in the concept of universal health care, except they vary on how to get there — and on which plan can be more appealing to achieve nationwide support."

Item: According to aggregator RealClearPolitics (RCP) for May 15, "Americans continue to express broad backing for 'Medicare for All,' a term of art embraced by liberal activists and leaders, including most of the Democratic candidates in the large field of 2020 presidential hopefuls. This support, documented in a new survey from RealClear Opinion Research, is especially pronounced among Democrats (82%), but is also strong among Independents, who favor it by a 2-to-1 margin. Even Republicans are evenly split."



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RCP staffer Carl Cannon went on to say that “some prominent White House policy advisers have concluded that the administration must produce its own alternative to Medicare for All if it wants to counter the liberal argument” for MfA.

Correction: If White House and GOP policy advisors want to offer a real choice rather than a weak echo to their opponents, they will steer far clear from the “Medicare for All” (MfA) plan being pushed by socialist Bernie Sanders and attack it on its demerits.

Meanwhile, the universal healthcare programs supported by Sanders’ Democratic competitors (including some who also back MfA) are not miracle therapies. Rather, they differ in the timelines before burying private care.

The most extreme Democrat “progressives” are shooting full-bore to socialize virtually all medicine now, thinking their time is ripe. As recounted by the *New York Times* in March, MfA — which was “once at the edge of Democratic politics — has moved to the mainstream of the debate among the party’s numerous presidential contenders. Mr. Sanders, Independent of Vermont, ran on the idea in his 2016 campaign, and now five 2020 Democratic aspirants have co-sponsored one of the two Medicare-for-all bills.” (A similar House version was introduced by Representative Pramila Jayapal, a Washington Democrat.)

This concept, when offered *without* details, does poll pretty well. (Popularity drops considerably when facts are involved.) “Free” healthcare sounds as appealing as pie in the sky. It also attracts activists and is intended to drive up the voter participation, especially for primary elections. But you still can’t fool all of the people in one swoop, or in general bipartisan elections. More are discovering that the nearly 60 million seniors and disabled Americans who are now receiving Medicare benefits would be displaced from their current plan — thanks to Sanders’ generosity with our tax dollars. Then, they would be stuck in a new government-run healthcare program.

Accordingly, some of the less-than-complete radicals are having second thoughts about the speed of the government grab. These folks are sometimes called “moderates” or “centrists” — suggesting they would work within the system for now. You know, like termites.

Over time, negatives have emerged. Problems with implementing socialist plans have made “Fabian”-like, gradual socialism a more attractive alternative, or so think their advocates. (Historical footnote: The British based Fabian Society has long supported the gradualism route to socialism. The society’s original emblem, aptly, was a shield with a wolf in sheep’s clothing.) In mid-May, the *Los Angeles Times* warned that, while MfA is a “popular rallying cry, many Democrats worry that pushing for such a plan now is politically risky.” They are said to be “embracing more modest plans to use Medicare to expand insurance coverage.” This strategy, the paper observed, has more recently been “backed by former Vice President Joe Biden as well as other Democratic presidential hopefuls.”

Free, it turns out, is quite expensive. Both the left-wing Urban Institute and the free-market-oriented Mercatus Center calculated that Bernie Sanders’ MfA would add at least \$32 trillion to the federal budget over a decade. And that was calculated for last year’s version, which did not include his current coverage for dental and long-term care.

So far the gradualism ploy has worked. By comparison, well-publicized extreme programs make “moderate” radicalism appear palatable. And you wind up with socialized medicine either way. At the end, the health insurance industry gets wiped out, and medical professionals become what amounts to



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federal contractors. (Because of the hundreds of thousands of job losses that are estimated would accompany implementation of Medicare for All, the bighearted feds, using our money, will assist displaced workers, or so is the promise.)



As it is, Medicare has plenty of problems. For example, earlier this spring the program’s trustees reported its hospital trust fund will be bankrupt in 2026. (Monies will be taken from other tax pockets.) Washington has avoided its fiscal duties for decades when it comes to Medicare. But, as noted by Christopher Holt of American Action Forum, the “Democrats are taking it one step further ... by pushing to increase the financial burden of this and other health programs on the federal coffers.”

Let’s take a look at the existing program, which is complicated. Medicare may be “popular” (after all taxpayers have been required to fund it for decades), but today’s program wouldn’t exist in recognizable fashion if MfA took effect.

Medicare is the federal health insurance program for people age 65 or older, as well as certain younger people with disabilities. It is funded through Medicare taxes based on your income, as well as through premiums paid by people with Medicare, and in part from the federal budget.

Unsustainable, Medicare is the prime driver of federal deficits and the National Debt: Its cash shortfall represented 46 percent of the deficit last year, and is responsible for about one-third of the federal debt. In 2017, Medicare spending accounted for about 15 percent of total federal spending and around 20 percent of total national health spending — totals that are jumping up. Its actuaries, in a recent report, projected that Medicare spending will rise by 7.4 percent each year over the next decade.

That record alone is proof of federal government’s “efficiency.” After all, that is just for a portion of the population. To nationalize universal healthcare is irration-al. As Health and Human Services Secretary Alex Azar put it in February: “The so-called Medicare-for-all in any of its forms is Medicare for none.”

What it would do is either eliminate directly or completely undermine the private health insurance system in this country. That’s over 140 million Americans [who] are getting insurance from their private employers, and you know, when some of the same individuals sold you on Obama-care and said you could keep your insurance plan if you like it, this time they don’t even make that promise.

This time it will undermine private insurance. It will hurt our seniors because what it will



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do, it will drive doctors and hospitals out of the insurance system. It will hurt the promise we made to our seniors for quality access to care.

The secretary pointed out that the “core” of MfA is to force private insurers to adopt the payments that Medicare pays doctors and hospitals. Indeed, the left-wing *New York Times* admitted (in its print issue on April 22) that the gap between payments to hospitals by Medicare and by private insurers for the same medical services — with Medicare usually paying much less — may prove to be “the biggest obstacle for advocates” of MfA and would likely lead to “significant changes throughout the health care industry, which makes up 18 percent of the nation’s economy and is one of the nation’s largest employers.”

You may not love the healthcare insurance industry, but it is remarkable that a major presidential campaign promise is based on sinking it altogether. The *New York Times* (in a March 22 article) acknowledges that fact:

Doing away with an entire industry would also be profoundly disruptive. The private health insurance business employs at least a half a million people, covers about 250 million Americans, and generates roughly a trillion dollars in revenues. Its companies’ stocks are a staple of the mutual funds that make up millions of Americans’ retirement savings.

Such a change would shake the entire health care system, which makes up a fifth of the United States economy, as hospitals, doctors, nursing homes and pharmaceutical companies would have to adapt to a new set of rules. Most Americans would have a new insurer — the federal government — and many would find the health insurance stocks in their retirement portfolios much less valuable.

Also keep in mind that health “coverage” does not equal health “care.” As noted in an April Heritage Foundation report, the “British National Health Service (NHS) and Canadian health systems (both single-payer systems) ration health care, creating access problems for patients. Waiting lists are a significant problem in the Canadian system. In 2017, Canadians were on waiting lists for an estimated 1,040,791 procedures.” Moreover, Canada’s system doesn’t cover dental care, vision, or drugs, among other services; a majority of Canadians have private insurance for such coverage. Such private coverage would not be allowed in the United States under the Sanders nationalization plan.

Forcing the acceptance of the lower Medicare reimbursement rates would drive private insurers out of the marketplace, as described by HHS Secretary Azar. They would not, as he said, “be able to compete with socialist price controls, meaning if you have your insurance through your employer, it would either go away immediately or it would eventually go away. It’s just that simple.”

Under MfA (and certain Medicare “expansion” plans), there would be no network, premiums, deductibles, or copayments. With the exception of cosmetic surgery, virtually all other services would be “free” at the point of care for everyone. The Vermont socialist was apparently delighted to tell CBS News that, under his plan, private insurance would be reduced to paying for “nose jobs.”

Peter Suderman, who writes regularly on healthcare and the federal budget for *Reason*, has observed that Sanders’ plan has an inherent contradiction. The senator



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not only wants to expand government-provided coverage to everyone in the country, he wants that coverage to be significantly more generous than Medicare, private insurance, or comparable government-run systems in other countries. On the other hand, he wants to drastically cut payments to hospitals, many of which lose money on Medicare right now, making up for the program's relatively low payments by charging much higher prices to private insurers.

What Sanders is proposing, in other words, is that the government finance a significant increase in government services while also radically reducing the amount it pays for those services. Even making generous assumptions, it's almost impossible to see how his plan could work.

At the same time, Sanders has offered no viable financing program for MfA. It's easier to destroy than create, apparently. After the fact, we'll inform the peons of the additional taxes.

That is the real prognosis for universal healthcare, by whatever label: Our socialist solons swear that government-managed healthcare will save huge amounts — while in actuality Americans get stuck paying double in taxes.



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