

How to solve the American health care crisis

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Following is the presentation prepared by Sally Pipes for the Washington Policy Center's statewide Solutions Summit, held online on April 14, 2020.

Introduction

I would like to thank Washington Policy Center for inviting me to be part of this panel. WPC deserves many kudos for transforming their highly successful event into a virtual one because of the pandemic. It is also terrific that my former colleague John Graham is able to be part of this event.

Even though Senator Sanders has dropped out of the race to become the Democratic nominee, he has had a major impact on promoting single payer or Medicare for All as it is more commonly known now. Medicare for All would be a disaster, and is a stepping-stone approach to single payer health care. One proposal is to cut Medicare eligibility age to 60 from 65 – a move even the progressives say will do nothing.

Others support building on the 10-year old Obamacare program and adding a public option into the mix, a government insurance plan that would compete with private insurers. Ultimately, under this plan, the private insurers would be crowded out of the market and we would all end up under Medicare for All.

Health care is a major topic of debate this year. The Covid-19 pandemic has made it even more important. Progressives like Senator Sanders and Alexandria Ocasio-Cortez (D-NY) are pushing Medicare for All as the best solution for dealing with pandemics like Covid-19. As Sanders said, “When I talk about healthcare being a human right...the coronavirus crisis makes that abundantly clear as to why it should be.” Left-wing wunderkind Ocasio-Cortez said of the COVID-19 outbreak, “It absolutely is an argument for Medicare for All.”

The exact opposite is true. We would face long waits, rationed care, high and new taxes, and a doctor shortage. Some liberals are even calling for CovidCare for All. This is just another precursor to Medicare for All.

The January 2020 Gallup poll showed that 35 percent of Americans think candidates' positions on health care are “extremely important.”

In spite of Senator Bernie Sanders bowing out, support for single payer continues to poll very well. The latest Morning Consult/Politico poll from late March shows that Medicare for All support is at its highest level in nine months – 55 percent versus 54 percent in June 2019. This could be because of the Covid-19 pandemic.

I will conclude by outlining a market-based plan based on competition and choice that, I believe, is the best way to achieve universal coverage for all Americans.

Understanding health care is similar to unravelling an onion, many layers and many tearful moments. With a few exceptions, many politicians do not feel comfortable talking about the issue because they find it too complicated.

What is at stake in America today

It is noteworthy that the Medicare for All idea is gaining support among doctors. At the 2019 annual meeting of the American Medical Association, representing only 20 percent of doctors, the membership voted on a resolution to support Medicare for All by the closest vote ever: 53 percent against and 47 percent for.

Bob Doherty, senior vice president for government affairs at the American College of Physicians, tweeted that such a strong showing within the AMA for single payer “would have been unimaginable in years past.”

On January 20th, the American College of Physicians (ACP), representing 159,000 internists, officially endorsed single payer. Sanders said he was “delighted” with the support.

The future: Progressives aggressively promote single payer or “Medicare for All”

As you know, Sanders had emergency angioplasty heart surgery last fall to repair a blocked artery. He received immediate and first-rate treatment at a private medical facility that he would ban under his plan.

In the United States, two-thirds of patients who needed an urgent coronary angioplasty test got it within 24 hours. If Sanders’ heart problem had happened in Canada with its single payer, Medicare for All-type system, he should note that no one there receives care within 24 hours and nearly two-thirds have to wait more than three days, while the average wait in Canada for an angioplasty procedure is three to 11 weeks. These waits would be even longer during a pandemic.

Senator Sanders and other progressives, as I mentioned earlier, keep claiming that under a single-payer system, the coronavirus situation would be solved quickly. As I said, the exact opposite is true. Health officials in Canada and the U.K. are so worried about an expansion in cases during the coronavirus crisis because their facilities are so overcrowded that they could not handle the increase in patients needing treatment.

During the SARS outbreak in 2002-03 Canada had 375 cases and 44 people died. The United States, with 10 times the population had 27 cases and no deaths. One SARS patient in Ontario spent 16 hours in the emergency room infecting other patients.

The Royal College of Physicians and Surgeons said on March 16th that the British National Health Service needs to take “urgent action” to clear the backlog of patients needing surgery because nearly 230,000 people have been waiting at least six months for treatment. It found more than 36,000 patients have been waiting more than nine months and that is despite a mild winter this year. The waits are even longer now under Covid-19.

There is no question that single payer or “Medicare for All” is no longer a “pie in the sky idea” in the U.S. But it would not solve the Covid-19 pandemic. Democrats like Senator Sanders are telling the American people that “health care is a ‘right.’” It is not a right. Declaring a right to health care would mean unlimited demand for health care. Declaring a right would not miraculously engender unlimited supply to meet demand.

What would the right entail? Does it mean the right to “top notch” care or a right to equal care? Would the government have to ban people from paying for better, private care as is the case in Canada? Would the government have the right to tell me to keep myself healthy. Do I waive the right if I am a smoker or become obese? In the U.K., if you are a smoker or obese, you are not eligible for certain medical treatments.

The cure for our health care system

The cure for our healthcare system lies in giving Americans choices in the type of health care plan they want. Under the pandemic, we have seen some very positive signs with deregulation of some areas that we have been promoting for years. Officials are expanding the use of telehealth, loosening up restrictions on “scope of practice” and on “licensure.” On the former, several states including Michigan and New York have lifted “scope of practice” restrictions on Nurse Practitioners and Physicians Assistants.

On the latter, 47 states have waived these licensure restrictions paving the way for providers to join the fight against Covid-19. Getting rid of Certificate of Need laws that hamper the building of new hospitals is happening in several states and is a much-needed reform.

Another positive reform that we are seeing is shortening the time it takes to become a medical doctor. Harvard and NYU medical schools are allowing the Class of 2020 to graduate in three years instead of four. In 2018, about 150 students graduated from MD programs at Duke, Ohio State and UNC. Expanding programs like these could help to reduce the pending doctor shortage forecast by the American Association of Medical Colleges. Let’s hope that reforms such as these become permanent.

Some additional reforms include:

- Change the tax code to allow individuals to purchase their health care with pre-tax dollars just as those with Employer Sponsored Insurance (ESI) do.
- Expand HSAs and increase the amount of money that can be put into an HSA. These tax-free accounts now cover over 21 million Americans. Allow contributions to be used for insurance premiums. Allow those on Medicare to contribute to an HSA.
- Get rid of “Certificate of Need” laws.
- Ensure medical price transparency becomes a reality.
- Encourage establishment of additional retail medical clinics.
- Reform Medicare by raising the age of eligibility and means test it.



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She received the Roe Award at the 2004 annual meeting of State Policy Network. The award is a tribute to an individual in the state public policy movement who has a passion for liberty, a willingness to work for it, and noteworthy achievement in turning dreams into realities.

Ms. Pipes, a former Canadian, became an American citizen in 2006. She is married to Professor Charles R. Kesler.

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- Reform Medicaid through block grants to the states so that those eligible can purchase HMO-type plans. On March 14, CMS rolled out new tools to help states pursue Section 1115 demonstration waivers so they can get approval to make changes to Medicaid including implementing work requirements.
- Individuals should be able to purchase their coverage and as long as they keep renewing their coverage every year, they should be able to keep their premiums at reasonable rates when they are young and healthy.
- Medical malpractice reform is needed. The cost of med-mal according to PricewaterhouseCoopers is over \$210 billion per year.
- We need to continue to support research and innovation in drugs, biologics, anti-virals, and vaccines. Price controls and an international price index are being bandied around in the House and Senate. Such ideas would be catastrophic because the U.S. is the incubator for most of the medical innovations in the world.

More information is available in my new book *False Premise, False Promise: The Disastrous Reality of Medicare for All*, just published in January by Encounter Books.

Conclusion

To achieve universal coverage in this country, we need choice and competition. That is the way to reach affordable, accessible, quality care for all. As my friend P.J. O'Rourke so aptly said, "If you think health care is expensive now, just wait until it's free!"

There are prominent national leaders who say that we will never let socialism destroy American health care. Let's hope they're right.