Published on *Physicians for a National Health Program* (http://www.pnhp.org)

If U.S. is serious about debt, there's a single-payer solution

Created *Wednesday, August 10, 2011*

By the Editorial Board
St. Louis Post Dispatch, August 10, 2011

If America truly is serious about dealing with its deficit problems, there's a fairly simple solution. But you're probably not going to like it: Enact a single-payer health care plan.

See, we told you weren't going to like it.

But the fact is that everyone who has studied the deficit problem has agreed that it's actually a health care problem — more specifically, the cost of providing Medicare benefits to an aging and longer-living population. The bipartisan National Commission on Fiscal Responsibility and Reform reported last December: "The Congressional Budget Office (CBO) projects if we continue on our current course, deficits will remain high throughout the rest of this decade and beyond, and debt will spiral ever higher, reaching 90 percent of GDP in 2020.

"Over the long run, as the baby boomers retire and health care costs continue to grow, the situation will become far worse. By 2025 revenue will be able to finance only interest payments, Medicare, Medicaid, and Social Security. Every other federal government activity — from national defense and homeland security to transportation and energy — will have to be paid for with borrowed money."

That being the case — and nobody argues that it isn't — there are two broad ways for the government to address its spiraling health care costs. One, shift more of those costs to recipients, by trimming benefits and/or extending eligibility ages and indexing eligibility to personal income. This is politically unpalatable, particularly to most Democrats, President Barack Obama being a conspicuous exception.

The second way for government to address its health costs is not to shift them, but to reduce them. This is what a single-payer health care system would do, largely by taking the for-profit players (insurance companies for the most part) out of the loop.

The advocacy group Physicians for a National Health Program estimates that "private insurance bureaucracy and paperwork consume one-third (31 percent) of every health care dollar. Streamlining payment through a single nonprofit payer would save more than

$400 billion per year, enough to provide comprehensive, high-quality coverage for all Americans."

Once everyone is covered, the government would have the clout to bring discipline into the wild west of health care spending. It could insist that providers be paid for quality of service, not quantity. Health facilities and equipment could be managed by regional boards. Medical services could be "bundled" — rather than paying hospitals and doctors and laboratories separately, there would be fixed prices for treatments. And so on.

The Patient Protection and Affordable Care Act passed in 2009 contains many pilot programs designed to test cost-reduction strategies. Most of them won't kick in for another six to eight years, by which time health care costs will be approaching 20 percent of U.S. gross domestic product. The combined state and federal share of that will be 49 percent, up from 45 percent today.

Indeed, a study published this month in the journal Health Affairs estimates that while the Affordable Care Act will pay for itself by 2020, it won't actually "bend the cost curve," as the Obama administration had hoped. But the study, done by the Actuary Centers for Medicare and Medicaid Services, says the ACA will significantly slow the rise of health care costs to state and local governments.

But consider those two findings: In effect, they say that if reducing overall health care costs is the goal, then the ACA didn't go far enough. Thirty million more people will be insured and government costs will grow more slowly. But overall health care costs will continue to explode.

Sooner or later, a nation serious about controlling spending must take broad control of the health care system.

It surely won't be sooner. Compared to the political fight that would erupt over a single-payer plan, the congressional battle over the Affordable Care Act would seem as tame as resolution praising mom, the flag and apple pie.

The ACA was a compromise. Mr. Obama brought everyone to the table — doctors, insurance companies, drug companies, hospitals — and came away with a "best we can get" kind of bill. Many of those at the table turned around and lobbied against it or sought special favors once the bill came before Congress.

It passed by narrow margins, and Congress is decidedly more conservative now. Indeed, the new House majority has voted to repeal the ACA and challenges to its constitutionality continue to work their way toward the Supreme Court.

But now, like a baby discovering its toes, Congress has discovered the deficit. And the plain fact is that unless you want to commit political suicide and cut Medicare to the bone — as Rep. Paul Ryan's, R-Wis., budget plan would do — the best way to seriously address long-term deficits is to get control of health care costs through a single-payer plan.

In 2008, when health care costs amounted to "only" 16 percent of U.S. gross domestic product, Great Britain was spending 8.7 percent of its GDP on health care, and Canada was spending 10.4 percent. Both nations have single-payer plans. Quality of care scores in both nations are at least comparable, and in most cases, better.

Eventually, the United States will have a single-payer plan. But we'll waste a lot of money and time getting there.

http://www.stltoday.com/news/opinion/editorial/article_97afa329-42f8-5f12-adb0-97fa305c3e4b.html#ixzz1UdVj1faS

Physicians for a National Health Program
29 E Madison Suite 602, Chicago, IL 60602 ¤ Find us on a map
Phone (312) 782-6006 | Fax: (312) 782-6007 | email: info@pnhp.org

Problems with the website? Contact our webmaster