



## **Medicare warts and all? Democrats make a mistake when they overlook the flaws**

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Many of the potential Democratic presidential contenders are being pressured to support Medicare for all.

That might be a nice pitch in the primaries. But anyone who believes it might work in the 2020 general election should consider the example of a certain Democratic U.S. senator from New Jersey and his Florida eye-doctor pal.

Dr. Salomon Melgen is now sitting in federal prison because of his penchant for exploiting a key flaw in Medicare, the lack of a so-called “gatekeeper.”

In private health plans, the gatekeeper is the person who decides which services will be covered. It’s different with Medicare. The doctor just sends in the bills and Medicare pays them. If the doctor’s honest, that works out fine.

But if the doctor is more concerned with having a private jet so he can take his senator friend to the Caribbean, then he can submit bills to his heart’s content.

In 2012, Melgen’s heart wasn’t content until he charged Medicare almost \$21 million. That’s an average of more than \$80,000 per working day – or \$10,000 an hour.

Any politician who cared to keep Medicare affordable would have wanted a guy like Melgen to be put in prison, which is where he now sits after having been convicted of defrauding Medicare of a total of \$73 million.

But U.S. Senator Bob Menendez instead lobbied with the Department of Health and Human Services to have them drop an effort to recoup \$8.9 million of the money Melgen stole.

Was that a crime? Nope. A trial ended in a hung jury. The charges were later dropped.

This may be a rather extreme example, but it shows how the lack of a gatekeeper makes it impossible to keep Medicare costs down. And that’s a key reason it is impractical to extend Medicare to all Americans.

Back in 1964 when Medicare was began as a single-payer health-care system for those over 65, there were relatively few senior citizens. The idea of giving them open-ended health care didn’t sound that expensive.

But there are now 58 million Americans on Medicare. An additional 270 million people would be added to the rolls under Medicare for all.

Do the math and you find out that Medicare for All would cost about \$3.2 trillion a year. That math comes courtesy of Charles Blahous of the Mercatus Center. His study estimates that we'd have to double income taxes as well as corporate taxes to come up with that kind of money.

Health-industry analyst Michael Cannon of the free-market Cato Institute recently did a podcast with Blahous in which they discussed the practical problems of the plan.

“The average household would take about a \$19,000 hit to income,” Cannon said.

That would create pressure to cut Medicare reimbursements, which are already well below what private health insurance pays, he said.

“You can imagine a world where they pass Medicare for all and then imagine they cut reimbursements,” he said. “It becomes Medicaid for all.”

Medicaid is the federal program for the poor that offers bare-bones coverage. You could argue that it's only fair for everyone to get the same coverage. But I for one would not want to make that argument before an audience packed with older people.

We saw how seniors reacted when Obamacare was before Congress in 2010. Even though Obamacare didn't represent much threat to Medicare, they came out in droves to protest even minor cuts in Medicare Advantage, the popular program that permits Medicare recipients to get coverage from private health-insurers.

That protest was symbolized by that quote from a guy who supposedly told his Congressman “Keep your government hands off my Medicare!”

The problem for the Democrats running for president is a simple one: They don't need Medicare for all. They need a time machine.

If they could just go back to 1964, they could remake Medicare from the start as a program that covered all Americans, not just the elderly. Of course then it would have required gatekeepers, competition among providers and other cost-saving measures.

But they're stuck with Medicare. And they're stuck telling the 175 million Americans who now have private health insurance that if they vote for a Democrat in 2020 they will be forced into a government-run health-care plan.

A Kaiser Family Foundation poll showed that 56 percent of Americans support Medicare for all – until they learn that private health insurance would end. Then support drops to 37 percent.

Perhaps that's why U.S. Sen. Amy Klobuchar of Minnesota stands out from the crowd by declining to support Medicare for All. She joins moderate Democrats who want to reform Obamacare instead.

Someone in authority in the party should tell the rest of the presidential wannabes that hers is a far more promising position in the general election.

Maybe Bob Menendez will volunteer for that task.

He certainly understands Medicare's weaknesses.