



Sanders Claims 'Medicare for All' Would Fix the CoronaVirus: It Might Make Things Worse

Charles Fain Lehman

March 19, 2020

Democrat presidential candidate Sen. Bernie Sanders once again argued during Sunday night's presidential primary debate that America is less equipped to handle the coronavirus pandemic because it does not have a single-payer health care system.

"Let's be honest and understand that this coronavirus pandemic exposes the incredible weakness and dysfunctionality of our current health care system," Sanders said. "We're spending twice as much per person on health care as the people of any other country.... We're spending so much money and yet we're not even prepared for this pandemic. How come we don't have enough doctors? How come hospitals in rural areas are shutting down? How come people can't afford to get the prescription drugs they need?"

The talking point — that America's patchwork health care system leaves the country at greater risk in a pandemic — was part of Sanders's messaging throughout the preceding week. At a speech in Burlington, Vt., on Thursday, Sanders claimed "the United States is at a severe disadvantage, because, unlike every other major country on earth, we do not guarantee health care as a human right." On Saturday, **he tweeted**, "if this situation isn't a red flag for our current dysfunctional and wasteful health care system, frankly, I don't know what is."

While essentially no health care system has the capacity for a large-scale pandemic, experts tell the Washington Free Beacon that Americans are in fact slightly better prepared than others, thanks in large part to our higher rates of health care spending.

By contrast, single-payer systems like those in Italy and Spain appear unequipped to face the current crisis.

A similar system in the United States runs the risk of making disaster preparedness worse, not better.

Americans spend a lot of money on health care — **the most in the OECD**, a group of the world's economically developed countries. Christopher Pope, a health care policy expert and senior fellow at the Manhattan Institute, told the Free Beacon this added cost is driven in part by higher wage rates for skilled labor, in part by higher rates of obesity, but most of all by the fact that American demand for health care is generally greater.

"Part of the higher spending is that we simply get more — we're not operating close to capacity or tightly rationing health care services at normal times," Pope said. "It also allows us to have greater capacity of high-end services, such as ICUs, which other countries skimp on."

One reason the United States spends more is that the average American has more wealth to throw at health care. Across countries, as households' real disposable income goes up, spending on health care rises proportionally. America's spending reflects, however, not just having more money, but having more opportunities to spend it. In a more market-based system, patients can trade money for time, spending more to avoid longer waits and lower-quality care.

For example, Americans are able to spend large sums of money to increase the supply of specialty services. This helps explain why **the United States has more MRI machines and more CT scanners per capita** than most other developed countries. Americans opt to pay for more of those machines, rather than wait longer to use them.

This same dynamic is at play with the technology needed to combat the coronavirus. While the United States has fewer hospital beds per capita than most developed countries, it has **substantially more intensive care unit beds per capita** and a per capita number of ventilators that "exceeds those reported by other developed countries."

Such resources are vital in combating a disease which attacks the lungs, requiring intubation, ventilation, and intensive care for many patients.

- **America's higher spending appetite for health care has another benefit: more technological innovation, particularly in the domain of drug discovery.**
- **"The fact that Americans spend a great deal means that there's an incentive to develop things that they're willing to spend on," Dr. Robert Graboyes, a health care scholar at the Mercatus Center, told the Free Beacon.**

Americans' higher rate of spending drives much of the world's pharmaceutical innovation. As scholars at the liberal Brookings Institution put it, "drug development activity is sensitive to expected future revenues in the market for those drugs." This may matter less for **the development of a coronavirus vaccine already in the works**, but does indicate that the American system has helped bolster humanity's pharmaceutical toolkit more broadly.

Whereas America's current system offers benefits in times of combating the pandemic, a single-payer regime of the sort Sanders backs would likely make the country less prepared for a demand shock to its medical resources.

"As Sanders opponent Joe Biden put it Sunday evening, things are 'not working in Italy right now, and they have a single-payer system.'

"Italy's single-payer system is completely inadequate for this challenge," Michael Cannon, a health care scholar at the Cato Institute, told the Free Beacon.

"Even Italy's health care system would not be as closed and repressive as Bernie Sanders's Medicare for All program would be.

"Italy allows people to purchase supplemental private insurance to get you access to better care than what the government provides. Bernie Sanders would not."

One of Sanders's major arguments for his plan is that it will, on net, be less expensive than the current patchwork approach. This is largely because a single-payer system is able to unilaterally set payments below the operating costs of health care providers. At present, for example, Medicare compensates providers 87 to 89 cents on the dollar, compared with \$1.45 from private insurers. Medicare for All would save money on national health expenditures, but only under the assumption that similar compensation rates would continue to obtain. **(see: Medicare For All Could Shutter Hospitals.)**

But here, again, the time-money tradeoff comes into effect. Less money in the system overall means less spent on excess capacity that can be called on in times of crisis.

This could lead to rationing of care, the closure of rural hospitals, or a decline in the number of doctors — all vital resources if and when a pandemic strikes.

The experts to whom the Free Beacon spoke emphasized that while in some regards the United States is better equipped than other nations, that does not mean Americans have nothing to fear. Even higher per capita numbers of ICU beds and ventilators will not be enough to provide for every patient if the crisis is not adequately contained.

Following CDC guidelines — staying home, washing hands frequently, cleaning surfaces, and covering the mouth when sneezing or coughing — is essential for ensuring public health and keeping those most at risk alive.