



Peter Schiff: America Should Get Rid of Medicare and Medicaid

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Yesterday (Jan. 15), famous contrarian investor and Euro-Pacific Capital CEO Peter Schiff spoke out in his weekly web series about his pessimistic view of America under President-elect Donald Trump.

"I think a lot of this optimism is unfounded. I mean yes, there may be some regulation that gets repealed under a Trump administration, but we have been disappointed in the past," he told his viewers...

Schiff noted that under many Republican presidents, regulations have been installed that actually *hurt* the economy, such as the Americans with Disabilities Act under former president George H.W. Bush. "That caused all sorts of problems for small business," he said about the act.

According to the CATO Institute, the ADA actually harmed its intended beneficiaries. "The added cost of employing disabled workers to comply with the accommodation mandate of ADA made those workers relatively unattractive to firms," CATO noted in its 2000 report.

The radio personality then went on to describe the one place he believes government overreach is at its finest: the healthcare system.

Like the Bush administration's impact on costs for employers, "It was the government's intervention that's fueled the skyrocketing price in healthcare," Schiff claimed.

He then went on to outline his very own plan for healthcare reform in America...

Under Schiff's plan:

- Healthcare and employment would be completely separate
- Insurance could only be used for life-threatening circumstances
- Medicare and Medicaid would be terminated

Peter Schiff's Healthcare Plan for America

The need for separation of healthcare and employment stemmed from Schiff's belief that workers are incentivized to accept health insurance from an employer instead of cash payments. In other

words, employees don't want to receive cash from their employer because that can be taxed. Instead, employees prefer health insurance coverage because it is tax-free.

Schiff's solution: Let individuals fully deduct whatever they spend on health insurance from their income taxes.

"More people will get their health insurance the way they get their auto insurance or their fire insurance or for their homeowners insurance," he said. "Get rid of those incentives, get businesses out of the healthcare industry, and allow individuals to shop around."

The second part of Schiff's plan included specifying which circumstances were "appropriate" for insurance coverage.

"The big problem in medical care is that too many people use insurance for everyday items," he said. "We don't want you spraining your ankle and then billing it to the insurance company – things like that should be paid for out of pocket."

According to Schiff, not using insurance and paying out of pocket with cash for things that aren't life-threatening will reduce the price of healthcare for everyone over time.

"Once you have a third-party player, you no longer have free market controls on costs, and costs skyrocket," he said.

The final segment of Schiff's plan called for the termination of two programs that collectively aid over 105 million Americans, according to a 2015 report by the Kaiser Family Foundation...

Medicare and Medicaid.

According to Schiff, these programs are better left for dead because they take up "too much" time for practitioners and provide a handout for low-income Americans.

"We should be getting rid of Medicare and Medicaid," Schiff said. "Before we had any of this stuff, we had a much better healthcare system. It was more affordable, and doctors had a lot of free time. They didn't have to spend all their time filling out paperwork."

"So, to the extent that there are poor people who couldn't afford medical care, they got it for free," Schiff criticized.

While the Euro-Pacific Capital CEO continues to criticize the American healthcare system, the reality is he is not in a position to do much about it.

But one person is...

Donald Trump.

Will Trump cut Social Security benefits? That's the big question keeping more than 46 million U.S. baby boomers up at night.

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