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Medicaid for None, Not All

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With the Affordable Care Act crumbling around them, Democrats will look to unveil their next healthcare plan at the National Convention in Philadelphia. President Barack Obama, his would-be successor, Hillary Clinton and the official party platform have a something specific in mind: The so-called “public option.”

Make no mistake, this would spell the end of healthcare as we know it and quickly usher in a European-style system that is essentially Medicaid for all. Democrats will deny this, but a quick look at the facts shows what’s at stake.

The public option is essentially a government-run health insurance plan that competes with private health insurance providers. A similar plan was originally included in the draft version of the Affordable Care Act, but the President and his Congressional allies quickly dropped it when the American people figured out what it would do.

In short, the public option would eliminate competition, not increase it. A government-run health-insurance plan would be backstopped by the American taxpayer. This would give the government a gross benefit that no private health-insurance carrier has—it could rob the rest of us to pay for those who buy its plans, deceptively making them appear more affordable in the short run.

European-style single-payer care just around the corner

Consumers would naturally flock to this sleight of hand. Within several years, the public option would effectively eliminate the private health-insurance market, ushering in an unprecedented era of government control of healthcare. European-style single-payer care would be right around the corner.

But, as is always the case, there is no free lunch. A health-insurance plan that seems too good to be true is. We already see this with the Affordable Care Act’s public-option trial-run, the so-called co-ops. Twenty-four co-ops were seeded with billions in taxpayer money to compete with private insurers. Two-and-a-half years later, all but seven have collapsed, unable to offer competitive healthcare plans that meet consumers’ needs.

The consequences—especially for patients and consumer—would be even more severe under a full-blown public option. Unlike co-ops, it would have a seemingly limitless supply of money via the taxpayer. It could thus give the semblance of competitiveness until it has fully eliminated the private health-insurance market.

But that cost would still be unsustainable for taxpayers in the long-run, and within only a few years, patients would start to see serious cutbacks in the quality of their care.

Which is where Medicaid for all comes in.

The public-option experiment

Medicaid is America's longest-running experiment with the public option—and it has been an unmitigated failure for its recipients. In order to control spiraling Medicaid costs, the federal government has taken a number of drastic steps. Most disturbingly, it has cut reimbursement rates for physicians and instituted draconian limits on the care that patients can receive.

Don't take my word for it. Medicaid's abysmally low payment rates mean that doctors can't afford to participate in the program and keep their doors open; 31% of doctors don't accept it, a number that grows with every passing year. Medicaid patients often wait months to receive specialized care today. Imagine what will happen if say, 100 million more people get added to the system. Medicaid patients—and by extension, the public-option patients—will have fewer and fewer doctors to choose from, inevitably harming their health.

That harm will be exacerbated by the similarly inevitable treatment controls. As we see with Medicaid, government-run healthcare routinely denies patients from getting specific treatments and prescriptions. The goal is to save costs; the reality is that it worsens patients' health, often drastically.

“Medicaid is worse than no coverage at all”

The data bear this out. Medicaid patients have significantly worse health outcomes than other patients, especially if they have more serious conditions. Medical expert Scott Gottlieb, reviewing the reams of evidence published in healthcare journals over the past few decades, recently concluded that “Medicaid is worse than no coverage at all.”

Why does the Democratic Party see “Medicaid for all” as the future of healthcare? President Obama, Hillary Clinton and the rest of the party are now openly arguing for a healthcare system that will jeopardize Americans' health. Surely that's an option not worth choosing.

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