

# Star-Telegram

## We still pay more for care

By Jeffrey A. Singer

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How much does the average Texan pay for health care? Too much.

Roughly 14 percent of your income goes toward your health care, on average. Now research from Harvard [shows](#) that health care spending will grow faster than the economy for at least the next 20 years.

Obamacare was supposed to prevent this, but it can't. Rather than reform health care, Obamacare merely expanded health insurance, a costly system that leaves patients behind and is largely responsible for spiraling costs.

Think back to your eighth-grade geometry class. You probably learned that the shortest path between two points is a straight line.

You can apply this same logic to spending, where the cheapest option involves only two parties.

In health care, the two parties that matter are you and your health care provider (your doctor, the pharmacy, etc.). You spend the least money when you pay them directly.

Consider how health insurance works. Your money exchanges hands multiple times before it reaches the provider.

It first goes to a third party (either the insurance company or the government, such as in Medicare and Medicaid). Those entities negotiate compensation schedules with providers and facilities.

Both of these steps add bureaucratic and administrative costs to health care's price tag. And although insurers attempt to lock in reasonable prices on your behalf, they often come up short.

Why? Because they're not spending their money, they're spending yours. They thus have less of a financial incentive to get the best deal.

Businesses and bureaucrats are no different than you and me; if you give them someone else's money, they're more likely to spend it foolishly.

The same problem affects you once you have health insurance. After you pay your premiums, insurance gives you the illusion that you're spending someone else's money.

At this point, you might want to abandon health insurance altogether, perhaps in favor of the “single-payer” system — essentially Medicaid for everyone — favored by European countries.

Single-payer systems suffer from the exact same problems, and they add in a few more.

In single-payer, government is the sole provider of health insurance. It thus spends everyone’s money, whereas health insurance companies only spend their customers’ money.

This begs the question: If not Obamacare, what else?

Reformers should start by giving consumers the freedom to make their own health care choices. We need to return health insurance to the role of taking care of unpredictable, catastrophic health care expenses, and leave the great majority of everyday health care decisions in the hands of consumers.

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