



Single Payer System Coming If Obamacare Fails?

By: Paul Strand - November 07, 2013

Some critics warn that Obamacare with its thousands of pages of mandates, rules, and regulations is sure to force health care insurers to hike their prices so high to comply, many customers will have to flee them.

And then there's something called the "death spiral" numerous analysts warn could crash Obamacare.

"If young and healthy people don't buy insurance, the insurance pool gets older and sicker," Dr. Michael Tanner, with the libertarian Cato Institute, told CBN News. "That means the younger and healthier drop out further, premiums rise, and so on until the whole system collapses."

Many liberals are already saying that the problems with Obamacare mean the country should give up on it and go to a different system: the single payer plan.

Some describe that as a total nationalizing or government takeover of health care -- with the government being the single payer for health care and eliminating private insurance.

"Essentially, single payer is the government operating as the only purchaser of health care for everybody," Ed Haislmaier, senior research fellow on Health Policy Studies with the Heritage Foundation, said.

People would pay for it with taxes rather than through payments to private insurance companies.

Many U.S. senators wanted single payer, but couldn't get enough votes when Obamacare was hammered out in messy Capitol Hill negotiations.

"Don't think we didn't have a tremendous number of people who wanted a single payer system," Senate Majority Leader Harry Reid, D-Nev., said on the PBS program "Nevada Week in Review" in August.

President Barack Obama has expressed support for the idea in the past, like during a 2003 speech before an AFL-CIO gathering.

"I happen to be a proponent of a single payer, universal health care plan," he said then.

Princeton economist Paul Krugman has recently advocated such a system.

"The government would be your insurer, and you'd be covered automatically by virtue of being an American," he wrote in The New York Times in October. "Of course, we don't have to imagine such a system, because it already exists. It's called Medicare, it covers all Americans 65 and older, and it's enormously popular."

But what Krugman and fellow advocates don't explain is that Medicare as it now is is already doomed to go trillions of dollars in debt when all those nearing retirement actually go on the system.

So for the U.S. government to add on everyone else as well and have a true single-payer system like European nations already have, taxes would have to go up -- way up.

Single payer opponent Paul Roderick Gregory suggested in a recent Forbes column that to afford such a system, America's 15 to 17 percent payroll taxes would have to more than double to 37 percent. That's what the average European pays.

"Americans would pay about 45 percent of their earnings for federal taxes on income alone," Gregory wrote.

"We really just can't afford this," Tanner said.

The Cato Institute scholar argues that single-payer systems lead to rationing health care.

"A single-payer system cannot provide unlimited health care to everyone. It would simply bankrupt the country," he stated. "So it's going to have to limit care in some ways. And that's going to be sort of arbitrary top-down rationing, if you will."

Tanner, Haislmaier and others point to the problems some countries already have with single payer, like Britain.

"There are about 750,000 people awaiting admission to National Health Service hospitals every year," Tanner said. "They cancel some 53,000 surgeries every year because the patients got too sick on the waiting list for them to go forward."

Heritage's Haislmaier said it's something the British worry about all the time.

"When you talk about health care reform in Britain, the first thing people ask is, 'How is your proposal going to reduce the waiting list?'" he said. "That's the first question they ask."

"In Canada today, there are about 800,000 people on the waiting list," Tanner said.

"And no less than the Canadian Supreme Court, which is hardly known as a right-wing organization, in a 2005 case said some people are going to die while on the waiting list up there," he added.

Will the United States end up moving to single payer system? Analysts argue it would be a tough sell. Obamacare is already proving massively unpopular, they point out. The president's promises of Americans keeping their own health plan and doctor haven't proven true.

Critics say a single payer system would be even worse.

"The problem with a single payer system ultimately is that it means someone else besides you is going to be making decisions about your health care," Tanner said.