THE WEEK

Why I'm a libertarian defeatist about Medicare-for-all

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The first time I heard the phrase "Medicare-for-all," I thought, "Oh, so *that's* how it happens. That's how America gets single-payer health care."

I'm not excited at the prospect. But I am resigned to its inevitability and unenthused about the realistic alternatives. I'm a libertarian health-care defeatist.

My reasoning here is pretty simple: As Americans from across the political spectrum agree, our present health insurance system sucks. Compared to similar countries, we pay more for worse outcomes — and the complexity! Heaven forbid anyone ever get a straightforward answer on what a procedure costs. The whole thing is intolerably expensive and convoluted.

Moreover, U.S. health care hasn't been in striking distance of a free market for decades, and the obstacles to getting there seem insurmountable. So if the principle of the thing is already irreparable, and I'm pretty sure it is, we may as well simplify. And Medicare-for-all — at once familiar and radical and sneakily difficult to argue against if you aren't also calling for an end to Medicare proper, which neither major party is — just might be the marketing that sells it. I'd be surprised if the United States didn't have some sort of universal, state-provided health care, maybe under the Medicare brand, within about 10 years.

A bit of history may here be in order. Contrary the suggestion of GOP apoplecticism c. 2010, ObamaCare was hardly the introduction of state meddling in the health-care market. Before the Affordable Care Act, the Cato Institute's Michael Tanner notes at *National Review*, "[n]early all health care was subsidized in some way, either directly or indirectly." The government already "directly paid for more than half of all health-care spending," and the "third-party and even fourth-party payment mechanism[s]," which paid 87 cents of every health-care dollar, "insulated consumers from the cost of their health-care choices and drove up both spending and prices." Meanwhile, Tanner continues, "provider cartels, both insurers and medical professionals, used regulatory and licensing barriers to protect themselves from competition and inflate prices."

Two state interventions in the health-care market deserve special attention. One is employer-provided health insurance, a strange arrangement that exists because of a federal wage freeze during World War II. Employers seeking to offer more attractive compensation packages provided insurance instead of a raise. This workaround made sense given the regulations businesses then faced, but it seems unlikely we would have thus widely linked jobs and health

care without the artificial incentive. The unfortunate result is health insurance can disappear when you need it most and the costs of routine care are warped and hidden from patients.

The second intervention is Medicare itself, which has produced dramatic price increases and distortions of care decisions. If the growth rate of health spending had remained consistent with the rest of the economy from the time Medicare was introduced to today, Americans now would spend around $220 billion annually, according to calculations from Georgetown Law's David A. Hyman and Charles Silver of the University of Texas. Instead, we spend around $3.4 trillion — a boggling spike even allowing for the correction of under-treatment and the introduction of new treatment options — and as much as $1 trillion of that goes to waste, fraud, and abuse. Furthermore, Hyman and Silver explain, providers' determination to extract every penny they can from Medicare sometimes results in the indefensible subjection of sick and dying people to tests and treatment they do not need.

Surely we can do better than this — but how? My ideal health-care system is probably about what you'd expect from a libertarian. I'll sketch it in three broad points.

First, I'd like routine care to operate more like chiropractors, massage therapists, vets, and some dentists, who offer clear pricing information that makes it easy to comparison shop.

Second, I think insurance should be an independent purchase, not an employment-linked benefit; that it should operate in a national, not state-constricted, market; and that it should function more like auto insurance, applying to catastrophic situations (major illnesses requiring extensive treatment and emergencies where there's no time for shopping around) rather than routine care. These changes make the first point doable.

Third, because I am not a Randian monster without a functioning conscience, I think there must be a robust charitable safety net to ensure everyone gets the care they need. Some of this would take the form of traditional giving, and it could also involve arrangements like that of the doula collective I hired while pregnant, where patients pay on an income-based sliding scale so the service is available to all.

But I don't expect anything like that in the foreseeable future. I wouldn't even place it in the "unlikely and difficult, but you have to hold out hope" category where I'd put major foreign policy reform. This just isn't going to happen. There are far too many powerful interests opposing it, and it is increasingly distant from what most Americans want.

That's not to say the average American is thrilled with the nuts and bolts of Medicare-for-all. Polling shows support plummets well below 50 percent when respondents are informed the program could entail ending private insurance, raising taxes, and limiting or delaying care options. I expect most or all of such negative predictions would prove true, and Medicare-for-all, though in some ways better than the present system, would be far from the panacea its supporters describe. The serious problems facing Medicare as it exists now, including insolvency and issues of pricing and care choices described above, will not be lessened by its expansion. But such

details are not the focus of the pitch, which offers an attractively simple alternative to our current plight and, crucially, does so by expanding an existing program few meaningfully oppose.

Wouldn't it be nice to eliminate all this mess of enrollment periods and monthly premiums and switching insurance with every new job and figuring out if the doctor you want to see is in your network? Wouldn't it be nice to just go get treatment when you need it? And if you don't object to Medicare for the elderly, why would you object to it for everyone else? That's the immediately intelligible case for Medicare-for-all or something like it, and when proposed without details on its costs and drawbacks, it has the support of around seven in 10 Americans. If private insurance is not shut down, a federal insurance plan even gets the backing of five in 10 Republicans.

Almost no one likes the insurance system we have now, and the Overton Window on this is shifting rapidly. A mandate for Medicare-for-all may not come from this election, but I don't expect we'll close another decade without it.

It's a fact libertarians like me must face.