



## Market freedom — not government mandates — would improve health care system

By Arthur Foulkes  
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— The United States government is on its way to declaring that health care is a “right.” But is health care really a “right” in the same way the right to free speech is a right or free assembly is a right? The right to free speech, assembly, and the right to bear arms — among others — are guaranteed in the Bill of Rights and are sometimes called “negative rights.” Negative rights simply require a legal or social framework in which no one is free to prevent anyone else from exercising these rights.

Health care, on the other hand, if considered a “right,” would be what’s called a “positive right.” Positive rights refer to things that must be produced by certain people and made available, free of charge, to everyone. Many people who want health care to be a “right” believe the government should become the “single payer” for all health care bills. This may sound like a great solution, but there is already a big problem in our health care system because “third-party payers,” such as Medicare and tax-exempt employer-provided insurance plans, foot much of the bill. With third-party payers, consumers have little or no incentive to economize or shop around for the best deal. Why worry about the price when someone else is picking up the tab?

If the government becomes the third-party payer for essentially everyone, health care consumption is bound to rise. This will likely lead to new problems, such as price controls, rationing or long waiting lists for service. In places with single-payer, government-provided health care, these problems already exist. In Italy, for example, the government doesn’t provide information on waiting lists for its national health care system, “but numerous studies have shown them to be widespread and growing, particularly for diagnostic tests,” according to a 2008 report by Michael Tanner for the Cato Institute called “The Grass is Not Always Greener.”

In Spain, health care is a Constitutional “right.” However, “Spanish patients cannot choose their physicians, either primary care or specialists,” Tanner notes. What’s more, waiting lists for medical care in Spain “vary from region to region but are a significant problem everywhere.”

Rationing of medical care — especially according to age — also is a feature of single-payer systems. A former economic advisor to former Soviet president Mikhail Gorbachev, Yuri Maltsev, noted recently that in “Russia, patients over [age] 60 are considered worthless parasites and those over 70 are often denied even elementary forms of health care.”

Even in the west this type of rationing exists. Maltsev notes that in the United Kingdom, 35 percent of dialysis centers refuse to treat people age 55 or older suffering from chronic kidney failure. The percentages receiving treatment at those centers are even lower for those over age 65 and those age 75 or older “rarely receive any medical attention.”

None of this is to suggest the American health care system is good or deserves to be preserved as it is. But if Congress and President Obama truly want to bring down the cost of health care and improve access for all Americans, they should begin by trying something truly radical — break the American Medical Association’s control over the number of licensed doctors in the country.

The AMA is a “doctors’ cartel that has controlled the medical labor market in the U.S. like its personal fiefdom for a century,” writes Reason Foundation health care analyst Shikna Dalmia. Largely because the

AMA has kept a tight lid on the supply of American physicians for decades, U.S. doctors make twice as much annually as their peers in other western countries and add \$58 billion to American health care spending each year, she adds.

A further welcome reform of the U.S. system would be to break down other barriers to free competition among health care providers, such as the legal limits placed on what tasks nurses, nurse practitioners, physicians assistants and midwives can do. This would truly give consumers more competition and choice and make health care much more affordable.

“Rising health care costs are not a uniquely American phenomenon,” Tanner writes. Costs are rising everywhere and many countries that promise “universal” access to health care, in practice, offer something considerably less. In response, many European governments are implementing market-based reforms, such as cost sharing, market prices and competition.

American leaders should learn from the experience of countries where national health care systems have been in place for many years. The cure for our sick health care system is not an even bigger role for the government. Rather, the cure is to eliminate barriers to free competition and allow market forces to work.

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