

# STAND FOR AMERICA

## Health Care

*Despite producing the greatest medical innovations of the last century, the U.S. health care system still causes headaches for millions of Americans. Democrats and Republicans agree that the system needs to be fixed. The most pressing needs are crystal clear: Cutting costs, improving access, and empowering every American to lead a longer, healthier, happier life.*

*Medicare for All will fail to achieve these goals and will bankrupt the country in the process. To achieve the health care system that Americans want, we must work with all the players in our system—from patients and doctors to hospitals and insurers—to stimulate innovation and break-down barriers to access. The solutions will only be found by giving the American people, not the government, more control over their health care.*

### Physician, Heal Thyself

Our country's health care system needs fixing. We must increase innovation and decrease red tape to give all Americans lower prices, greater accessibility, and more options for better care.

At the same time, the U.S. health care system is in many ways the envy of the world. Groundbreaking cancer treatments, advances in minimally invasive surgery, life-saving prescription drugs, world-class medical education – there is much in our system to admire.

The numbers reflect this reality. As of 2018, the vast majority of Americans—around 70 percent—[rated](#) their own personal medical coverage as excellent or good. When it comes to the quality of care, satisfaction rises even higher, with 80 percent of Americans rating the quality of their care as excellent or good.

These facts highlight the central reality of the current challenge: our system needs changes, but we don't need a completely new system. Improvements must be [centered](#) on [costs](#) and access. Reforms in these areas will help those who need it most while simultaneously improving health care for everyone.

To listen to liberals, though, you'd think Americans want to scrap everything. They are proposing health care overhauls that would eliminate the high-quality health insurance of tens of millions of Americans, diminish the quality of care Americans receive, and bankrupt America itself.

Any attempts to solve our health care system's current problems must start with identifying its particular challenges. Ideas like Medicare for All fail at this task and would therefore hurt, not help, millions of people. The better path is to honestly assess what ails our health care system. Only then will we find the common-sense cures.

## Our Current Health Care Challenges

No serious observer would claim that health care in America is perfect. What's also clear is that our challenges can be overcome, no matter how big they seem.

By far the biggest issue is the price of care: Nearly half of Americans are financially burdened by health costs. The implementation of Obamacare [caused](#) already high premiums to [increase](#) even more for many middle-class Americans. Even the cheapest healthcare plans are unaffordable for those who don't qualify for government subsidies. Someone making \$50,000 a year, for example, might pay up to 30% of annual income in premiums. These high costs [prompted](#) 40% of Americans in 2018 to skip medical testing and treatment, and 44% to avoid seeing a medical professional when they were sick or injured. For those who do seek medical attention, nearly a third are later forced to choose between medical bills and food, heating and housing.

After high costs, the next biggest issue [is improving access](#). Even in America's urban areas, patients face [long wait times](#) to see a doctor for non-emergency care. The average wait time to see a cardiologist in Washington, D.C. is 32 days. In Boston, to see a primary care doctor, patients wait up to 66 days. In rural areas, the situation is often much worse. Around 1 in 5 rural Americans [lacks access](#) to mental health services, cancer treatments, and [intensive care units](#).

Additional priorities [include](#) lowering the price of prescription drugs, empowering doctors rather than insurance companies to make health care decisions, and providing protections for people with pre-existing conditions.

If conservatives fail to respond to these concerns with common-sense solutions, liberals will fill the void with government programs that exert more control over patients' lives, make health care's underlying problems worse, and even worsen the health of our most vulnerable citizens. We cannot let that happen for the sake of the American people. And we will not let that happen if we tackle the following problems.

### Diagnosis: Spending

Let's begin with our country's runaway spending. Over the past several decades, the share of national wealth related to health care spending has increased enormously and unsustainably.

America's total spending on health care [reached](#) \$3.6 trillion, or \$11,172 per person, in 2018. That means that health care makes up almost one-fifth of our economy—more than twice what developed economies [average](#). Worse, the federal government expects health care spending to [balloon](#) further to \$6.2 trillion by 2028—a 72% increase in just 10 years.

This high pace of spending has real consequences for Americans. Every dollar spent by employers on health care is one less dollar spent on hiring and wages. Every dollar spent by families on health care is one less dollar spent on getting a college education or paying off a mortgage. Every dollar spent by

the government on health care is one less dollar spent on pressing public priorities, like rebuilding our highways and securing our nation's defense.

The federal government accounts for a sizable share of health care spending, with Medicare, the health insurance program for the elderly, leading the way. In the next ten years, federal spending on health care programs is [set](#) to [double](#), driving up our national debt. Medicare will come under special strain as the Baby Boomer generation retires and spending per recipient [grows](#) by over 5 percent per year. In fact, the Medicare Trust Fund is [set](#) to run out of money in just six years.

It does not take a medical degree to understand the consequences of these figures. Not only is this level of federal spending unaffordable—it could very well force the government to forgo other urgent priorities as it sinks more and more resources into health care. Over time, government borrowing may also lead to an increase in interest rates, making it more expensive for the private sector to borrow money and grow. This hurts innovation—the very dynamism needed to support, transform, and modernize our health care system in the first place.

The diagnosis is clear to everyone but liberals in Washington. While Americans continue to express that their biggest health care priority is reducing expenses, liberals are driving the country away from competition and access toward more spending and centralization. This is exactly the wrong prescription for what ails America's health care system.

## Bad Medicine

Only 20 years after President Bill Clinton shied away from socialized medicine, today's liberals are rallying around it in the form of Medicare for All. Medicare for All is the most radical domestic policy proposal in decades, and [more than](#) a hundred members of Congress and [over](#) a dozen senators support such an idea. They would [eliminate](#) private insurance altogether while sticking the American people with an astronomical bill.

Liberals have sent mixed signals about how they will pay for such a massive government expenditure, and there's good reason why: experts on the left and right agree that the price tag will be enormous and completely unaffordable.

In 2018, a study from the Mercatus Institute at George Mason University [calculated](#) that Medicare for All would, “under conservative estimates, increase federal budget commitments by approximately \$32.6 trillion during its first 10 years of full implementation.” The study went on to note: “Doubling all currently projected federal individual and corporate income tax collections would be insufficient to finance the added federal costs of the plan.”

That means that even if the federal government doubled taxes on every single person and every single company, we still couldn't pay for this plan. Yet liberals insist on telling us it can all be paid for by taxing millionaires and billionaires. Basic [math disagrees](#)— even if the government took every penny from billionaires, or about \$3.4 trillion, it would only fund Medicare for All for a little over one year.

It gets worse. Last year, the Urban Institute issued a new study [challenging](#) Mercatus—by insisting that its estimate was not too high, but too low. The actual cost, the Urban Institute estimated, would be \$34 trillion over ten years.

These numbers put the lie to liberal claims on Medicare for All. Their biggest talking point is that health care should be free, yet \$34 trillion in government expenditures is anything but free. Even the most detailed plans only [call](#) for taxes of \$19 trillion or so—nearly the total [size](#) of the U.S. economy. This means trillions of dollars in [new](#) payroll or other taxes that would hurt working Americans.

It doesn't take long to [figure out](#) that \$19 trillion in taxes won't cover \$34 trillion in expenses, no matter how much one tries to make the math work. Promises of "free" health care would only lead to record-levels of taxes, including on the very middle-class Americans these plans purport to help, while still sapping our economy of innovation and saddling it with huge amounts of debt.

The most damning thing about these plans is they wouldn't even improve our health care system. In fact, they would do the opposite, decreasing the quality of care that many Americans have come to expect from their doctors and hospitals.

Can you imagine living in a country where the [average](#) wait time between seeing a general practitioner and a specialist is 8.7 weeks? How about waiting nine months between a general-practitioner referral and an appointment with an orthopedic surgeon? Medicare for All will mean Long Lines for All, or even Medicaid for All. Those figures aren't from fairy tales; they are the current reality in Canada. To see how socialized medicine will impact the quality of care, we need only look to our neighbor to the north for clues.

Quality of care would not be the only thing to decline under the far left's socialist health care regime. Fewer life-saving prescription drugs would be developed. And the quality of our doctors would inevitably drop, too, as Medicare for All puts the government, rather than the private sector, in charge.

A recent [poll](#) by the respected, non-partisan Kaiser Family Foundation found that 70 percent of Americans oppose any health care system that would lead to delays in people getting treatment. 60 percent would oppose any proposal that would lead to tax increases. And 58 percent disapprove of any plan that would eliminate private health insurance companies.

Medicare for All would do all of these things, and more. It would be the most dangerous and destructive program in American history.

## Where Somebody Knows Your Name

The evidence is overwhelming: Medicare for All is the wrong diagnosis. But if socialized medicine is an empty promise, what remedies will make health care in our country better?

Most politicians tell us that we need to bring down costs. And they're right. But they are missing some-

thing equally important.

While decreasing the cost of care matters, where we receive our care matters, too—and it's a big part of how to lower costs. Americans should be able to make decisions with their own doctors, not through impersonal mega-hospitals, big insurance companies, and telephone operators located in another state. Your doctor should be someone who knows your name.

Sadly, hospital [consolidation](#) has hit doctor-patient relationships hard. Nearly three quarters of hospital markets are now considered [highly concentrated](#). Americans can drive ten minutes and pass several grocery stores, but the nearest hospital may be almost a county away.

Hospitals driving consolidation [argue](#) that it reduces costs for consumers—that merging their operations allows them to lower prices. But the evidence paints a different picture. Research shows that hospital mergers [increase](#) the average price of hospital services by six to eighteen percent.

Government regulations, far from helping, only make things worse, giving fewer [options](#) to consumers and allowing providers to drive up prices. In recent years hospital profits have skyrocketed, and this problem isn't limited to for-profit healthcare providers. In 2017 “net assets for the nation's top 82 non-profit hospitals [increased](#) 24 percent,” growing from \$164 billion to \$203 billion.

This means we have flush hospitals when we need healthier Americans, and fewer options for care when we need more. Washington must reduce barriers to competition so that hospital monopolies cannot limit our options for quality care.

Washington must also eliminate the costly maze of rules and regulations hospitals use to inflate their profits. Certificate of Need (CON) laws [regulate](#) the number of healthcare providers allowed to operate in any given state. They also require government approval before existing health care facilities can expand, innovate, or do something as simple as add hospital beds. These certificates are often expensive and [burdensome](#) to acquire. And the government boards that oversee the process are often controlled by existing health care providers that want to block competition

This helps the strong stay strong while the weak suffer: big-money hospitals use CON laws to grow and block new doctors from even getting started. Other burdensome licensure requirements mandate that most health services can only be performed in hospitals. So CON laws end up conning patients more than they help them by limiting their access to local professionals who actually know them.

Red tape should not be an obstacle to having the doctors Americans want. That's why we must level the playing field by eliminating CON programs and minimizing the number of services that require hospital licensure. And wherever possible, state governments and the federal government should make permanent some of the regulatory changes resulting from the COVID-19 health crisis. These include [waiving](#) licensing requirements that allow medical professionals to perform services across state lines, [expanding](#) the range of services that nurses and medical students can provide, and [increasing](#) access to telehealth services.

## The Right Remedies

Just as Americans should be able to choose where we receive care, we should be able to make all our health decisions in ways that are as easy, open, and transparent. This isn't impossible. The way forward lies in increasing competition to improve access to care and insurance. By unleashing market forces, we will see a wave of lower costs and increased choice.

Tax credits provide one way to achieve this goal. For decades, the federal government has given preferential tax treatment to employers who provide health insurance to their employees. But the millions of Americans who buy insurance on their own receive no such break. This is simply unfair. To make matters worse, Obamacare has [caused](#) especially large spikes in these premiums. To right this wrong, the federal government should instead offer a simple tax credit to those of us whose employers do not cover health care. This would [reinvigorate](#) the individual market by making care more accessible and affordable.

While Medicare for All would bankrupt the country and impose huge costs on the middle class, tax credits for individuals would level the playing field, empowering us to make health care choices in an open and transparent way. That's why we should replace Obamacare with a system that puts individuals, not government, at the center of America's health care system.

To provide even more choice, Washington should make it easier for Americans to open a health savings account (HSA). If a chosen health insurance plan costs less than the tax credit received, Americans will be able to deposit the balance into their savings accounts. So shopping for an insurance plan that costs less than the tax credit will reward individuals instead of insurance companies.

Another problem with the current system is that insurance companies, in the name of "generosity," often saddle Americans with plans that bear little relationship to their individual needs. It doesn't make sense for adults with no children to pay for pediatric dentistry, which the government [requires](#). Repealing such regulations while providing tax credits and HSAs will enable people to make health-care decisions that are more personalized and meaningful.

We also must do more to contain the costs of those plans that employers do provide. These plans are currently exempt from taxation, which sounds like a good idea. But it gives employers a perverse incentive: because they don't have to pay taxes on health plans, they can load up their plans with high-cost "benefits" rather than pay their workers higher wages. Employers should not be allowed to avoid paying better wages by stuffing their employee health plans with coverage their employees don't need. Putting a cap on tax exclusions for employer-based health plans would address this unfair and costly practice.

Increasing interstate competition and improving price transparency would also help the health care marketplace function properly. One sign of its current dysfunction is that families living in one state are prohibited from purchasing care in another. This makes no sense—if Americans can go to another state to buy car insurance, why can't they purchase health care in the same way? Eliminating this barrier would reduce prices and make plans more affordable.

Making prices more transparent would achieve this, too. Americans all agree that we have a right to know exactly what we're buying before we buy it. And in most marketplaces, price transparency is a given: when you shop for a car, the price of the car is on the sticker. But insurers and hospitals make it almost impossible for us to know exactly how much a service or procedure will cost.

As a result, most Americans don't pay for health expenditures directly. Instead, they pay an insurance company, which acts as a third party and reimburses providers for the direct costs of care. Patients have no way of knowing the actual prices negotiated by hospitals and insurers, which encourages health care costs to continually rise. By contrast, forcing providers and insurers to disclose their prices up front puts patients more in control by providing the facts they need to make the choice that's best for them. Just as important, it would give health care companies a reason to lower prices, instead of always raising them.

Transparency has worked everywhere it's been tried. Employers that have demanded to know how much they're paying for employees' health care have [reported savings](#) from 30 percent to 50 percent. California's biggest retirement system moved to a transparent model for many common procedures, with [20 percent](#) cost savings. New Hampshire saw a more than [20 percent price drop](#) after introducing a cost-comparison website. A recent study found that transparency would lower health care costs a staggering [39 percent less](#). Considering that the typical American family of four spends more than \$28,000 annually on health care, that means price transparency could save as much as \$11,000 a year.

A recent [initiative](#) by the Trump administration would force hospitals to make public the prices they negotiate with insurance companies. Hospitals and insurers, [predictably](#), have sought to block this policy with an army of lobbyists and lawyers.

The government and Congress should act to ensure greater price transparency, which will help American consumers and save huge sums of money. It will empower Americans to window shop for the best price, just like when buying most any other product. As they choose the lowest-cost options, health care providers will compete to lower costs and increase quality. Either way, Americans win.

A third idea—reference pricing—would [work](#) in tandem with price transparency to defray the cost of care. Under this idea, health plans would negotiate specific prices for particular procedures. Patients could choose any provider that delivers the procedure, at any price, as long as they cover the amount above the reference price.

## **Better Care for Every American**

Now is the time to improve American health care and empower everyone to lead better lives. That will happen when we create a genuine health care marketplace that lowers costs, increases choice, and improves access from the densest urban setting to the farthest rural area. This can happen while protecting people with pre-existing conditions, who should be free to transition from one health care provider to another without fear of losing coverage. And it can be done without burdening saddling Americans with trillions of dollars in tax increases and massive new government programs that make

our lives worse.

We all want the best possible health care system. The question is how we get there. The wrong approach is to replace our innovative system with socialized medicine—a cure that’s worse than any disease the system currently faces. The right approach is to build on health care’s strengths, cure its sicknesses, and give power back to the American people. The sooner we do that, the sooner we will deliver affordable and accessible health care to every American.