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Universal health care is more myth than reality. Medicare for all is a decent step toward it

By Daniel Callahan

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Millions of Americans live with health care coverage that is either incredibly expensive or poor to nonexistent. It's no surprise, then, that the push is on throughout the country for some form of universal health care, such as the [Medicare for All plan](#)¹ promoted by Sen. Bernie Sanders (I-Vt.).

Is the idea of a universal health care system that's paid for and run by the government and has only trivial out-of-pocket costs truly plausible?

I've been following health care for some 35 years. So just out of curiosity, I decided to look at European countries with universal health care. They've appeared to be the utopian goal for health care for many of us over the years, thinking "If we could only get there!"

I was surprised to discover two unsettling realities. One of them is that there is no such thing as universal health care, if by that we mean full and free health care paid for by the government. The other is that the U.S. is in an odd position. Our government pays a larger per-capita percentage of our health care costs

than any other country, yet we have out-of-pocket costs that aren't greatly out of line with other countries.

Here is a brief summary of data [compiled by the Commonwealth Fund](#)² of 13 mostly European high-income countries that tells the story. Health care spending as a percent of gross domestic product is highest in the U.S., at 17 percent. That is 50 percent higher than in runner-up France, at 11.6 percent. As in the U.S., all of the European systems have out-of-pocket costs. In this category, Switzerland topped the list, averaging at \$1,630 per person per year, followed by the U.S at \$1,074. The lowest out-of-pocket spending by far was the U.K., at \$321 (see the table below).

Country	Health spending as a percentage of GDP	Out-of-pocket costs (dollars)	Per-capita spending on health care (dollars)	Life expectancy at birth (years)
Australia	9.4	771	4,115	82.2
Canada	10.7	623	4,569	81.5
Denmark	11.1	625	4,847	80.4
France	11.6	277	4,361	82.3
Germany	11.2	649	4,920	80.9
Japan	10.2	503	3,713	83.4
Netherlands	11.1	270	5,131	81.4
New Zealand	11.0	420	3,855	81.4
Norway	9.4	855	6,170	81.8
Sweden	11.5	726	5,153	82.0
Switzerland	11.1	1,630	6,325	82.9
United Kingdom	8.8	321	3,364	81.1
United States	17.1	1,074	9,086	78.8

When it comes to public financing of health care, the U.S. is the leader, with per-capita spending of \$9,086. Yet despite that investment plus modest out-of-pocket spending, life expectancy in the U.S. is lower than it is in any European country.

It is also worth noting that one can easily find Europeans bemoaning the state of their health care systems. A 2017 report [by the British House of Lords](#)³ said that “Our NHS, our ‘national religion’ is in crisis and the adult social care system is on the brink of collapse.” [Another analysis](#)⁴ found that that, “Across the world, universal care is in bad shape.”

The greatest obstacle to a Medicare-for-all plan is that it would, not surprisingly, be prohibitively costly. Neither Sanders nor the Congressional Budget Office has calculated its costs. A recent estimate from the Mercatus Center projected that it would increase the federal budget by [approximately \\$36.6 trillion](#)⁵ in its first 10 years, although Sanders and others [dispute the findings](#)⁶. Enthusiasm for a single-payer plan has been [strong in California](#)⁷, but legislative progress in that direction has stalled because of its projected costs.

What I find most disturbing is the comparatively low U.S. life expectancy despite high government spending. The culprit is at least three-headed: inefficiency, high labor and technology costs, and political and other barriers to government control of drug costs and expensive technologies. There is hardly any

guarantee that a Medicare for all plan could cut through all those obstacles, or even come close to doing so.

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Sen. Elizabeth Warren (D-Mass.) [has proposed an alternative plan](#)⁹. She judges that a single-payer plan would be difficult to get through Congress and concedes that private insurance will have to continue. But that insurance would “have to be at least as good and priced as reasonably as the coverage provided by our public health care programs.” The obvious advantage of her plan is that it aims to build upon and improve the embattled Affordable Care Act, likely making it easier to get through Congress than a single-payer plan. Warren’s plan would benefit from the strong gain in public support for the ACA over the past couple of years despite assaults on it by President Trump and other Republicans.

It would be foolish to think that it will be possible in the years ahead to devise an ideal or perfect health care system. The number of Americans age 65 or older, now at nearly 51 million, will [rapidly continue to grow](#)¹⁰, as will medical and technological ways to keep them alive longer. A major consequence will be longer lives, with new drugs and expensive devices to keep people alive longer. Hardly less important, there will be a [historic turning point by 2035](#)¹⁰: The number of those over 65 (78 million) is projected to exceed those under 18 (76.7 million).

Even with great public support for affordable universal care, European countries are stumbling and gasping. The U.S. is likely to do the same. Some improved form of universal care will help, but there is no magic elixir, here or there, to find a politically affordable program covering all health needs.

But progress is possible. Two congressional moves would make a great difference. One of them would be to rescind the 2003 law prohibiting the Department of Health and Human Services from negotiating drug prices on behalf of Medicare beneficiaries. The other would be to set an income-based limit on out-of-pocket health expenses, with government paying the difference.

While I believe that Trump’s view of Medicare for All, [which he laid out](#)¹³ in a recent op-ed for USA Today, is wrong, its very grandiosity opens the door to resistance. Nonetheless, there is a need for a stronger and more equitable health care system, and Warren’s plan so far is the most plausible.

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