Written by <u>Michael Tennant</u> on January 19, 2016



Sanders Unveils Single-payer Healthcare Plan

Proving that Senator Bernie Sanders (I-Vt.) is really the socialist he claims to be, on Sunday his presidential campaign released the senator's <u>healthcare plan</u>; and sure enough, it calls for a complete government takeover of the healthcare system.

"Health care must be recognized as a right, not a privilege," declared Sanders. "Every man, woman and child in our country should be able to access the health care they need regardless of their income. The only longterm solution to America's health care crisis is a single-payer national health care program." ← EMERGENCY

Comprehensive Emergency Medical Service Physician On Duty

In other words, some people have the right to obtain care at others' expense — a situation that, if it did not involve the government, everyone would recognize as theft. Sanders, however, calls it "morally principled."

The Sanders proposal boils down to this: The federal government, Constitution notwithstanding, would impose trillions of dollars in new taxes — Sanders prefers the term "premiums" — on nearly all Americans. In turn, Americans would receive "comprehensive coverage" of "the entire continuum of health care, from inpatient to outpatient care; preventive to emergency care; primary care to specialty care, including long-term and palliative care; vision, hearing and oral health care; mental health and substance abuse services; as well as prescription medications, medical equipment, supplies, diagnostics and treatments." There would, Sanders maintains, be "no more copays, no more deductibles and no more fighting with insurance companies when they fail to pay for charges."

The senator claims his plan will reduce healthcare expenditures by \$6 trillion over the next decade and save families and employers thousands of dollars. Nevertheless, he says, it is still going to require \$1.38 trillion in additional federal revenue per year. Sanders plans to get that \$1.38 trillion by imposing new taxes on employers and households; hiking income taxes, capital gains and dividend taxes, and estate taxes; limiting tax deductions for the "rich"; and eliminating tax deductions for healthcare expenditures and employer-provided health insurance.

Sanders released his plan in response to criticism from former Secretary of State Hillary Clinton, who herself tried to foist single-payer healthcare on the United States back in 1993, when she was First Lady. Clinton had argued that Sanders, while claiming to have a plan to reform the healthcare system, had failed to provide any details on it. Sanders finally came through with the details just two hours before Sunday's debate among the Democratic Party's presidential contenders: Sanders, Clinton, and former Maryland governor Martin O'Malley.

Given that the plan was released to blunt Clinton's attacks, it is hardly surprising that "Sanders is detailed and specific in response to the three main attacks Clinton has launched, but is vague or unrealistic on virtually every other issue," observed <u>Ezra Klein</u>. "The result is that he answers Clinton's

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criticisms while raising much more profound questions about his own ideas."

"Sanders promises his health-care system will cover pretty much everything while costing the average American almost nothing, and he relies mainly on vague 'administrative' savings and massive taxes on the rich to make up the difference," Klein added, dubbing it a "puppies-and-rainbows approach to single-payer." That is, Sanders is telling voters — who, after all, will determine who the Democrats' nominee and the eventual president are — exactly what they want to hear: There is such a thing as a free lunch, and Bernie is the man who can give it to them.

The truth is that it simply is not possible for the government — any more than it is for private insurers — to pay for every treatment every patient needs or wants. Sanders suggests that people will be able to walk into a doctor's office or hospital, demand whatever treatment they want, and get it, with "no more fighting with insurance companies." Instead, as Klein remarked, "under his plan, individuals will have to fight with the government rather than private insurers when their claims are denied," the situation that happens "every day with public insurers like Medicare and Medicaid, to say nothing of the fights that go on in the Canadian, German, or British health-care systems."

In short, in order to maintain universal healthcare while keeping costs under control, the government will have to ration care. Indeed, as *Forbes'* <u>Avik Roy</u> pointed out, a footnote in Sanders' <u>cost projections</u> "indicates that Berniecare would fail to cover '20% of out-of-pocket spending' because it is 'deemed not medically necessary.'" Sanders is silent on how and by whom such decisions would be made.

Such cost-cutting could lead to a large number of hospital closures, noted Klein, who wondered how Sanders was going to prevent that. The senator claims his plan will "ensure the federal government can track access to various providers and make smart investments to avoid provider shortages and ensure communities can access the providers they need" but does not explain how such Soviet-style central planning would ostensibly work — not that it would succeed anyway.

Even assuming everything works out exactly as Sanders expects, his plan would still increase federal spending and deficits significantly. Roy calculated that even if the expected savings materialized, Sanders' plan would increase federal spending by \$28.3 trillion, or 55 percent, over 10 years. If the savings didn't occur, spending could rise by \$32.7 trillion, or 64 percent.

Sanders' tax hikes, meanwhile, won't even come close to covering this new spending and will harm the very people they are supposed to be helping. Sanders calculates that his 2.2 percent income-based tax on households would cost a family of four with a \$50,000 annual income just \$466 per year after they took the \$28,800 standard deduction, saving them more than \$5,800 over their current healthcare costs. But his 6.2 percent income-based tax on employers will be borne by employees in the form of lower wages, which means that same family could end up paying thousands more. Most of his other tax hikes — including, according to Roy's colleague Ryan Ellis, a doubling of the estate tax — apply to households earning at least \$250,000 a year.

Overall, Sanders projects that his tax increases will bring in about \$13.9 trillion in revenue over a decade. That means "Berniecare" would increase the deficit by \$14.4 trillion if the savings forecasts are correct and nearly \$19 trillion if they aren't. "Furthermore," penned Roy, "the \$14 trillion in new taxes would hammer the economy, leading to less federal revenue and greater deficits."

Sanders' healthcare plan, therefore, is just like every other single-payer plan — and every other utopian scheme cooked up by the senator's fellow socialists over the years. It relies on unrealistic assumptions about human nature, is ignorant of economics, and makes grandiose promises that cannot possibly be





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kept. Perhaps worst of all, it opens the door for ever greater government control of the citizenry. And that, maybe even more than the dream of getting something for nothing, explains why the Left never tires of hatching and promoting such plans.





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