



Weekly Checkup

The Perils and Politics of Single Payer

CHRISTOPHER HOLT | APRIL 12, 2019

This week saw Senator Bernie Sanders try to [wrest back](#) control of the “Medicare for All” narrative from Rep. Pramila Jayapal by copying her [expanded version](#) of his own previous single-payer proposal. **While we’re already off to the races on the political messaging, it’s worth a moment to note the staggering scale of what is being proposed here**—and embraced by a wide swath of the Democratic party.

The proposal amounts to a complete remaking of American health care from the ground up. While most industrialized nations have achieved universal coverage, the systems they’ve used to achieve that end vary considerably. But this proposal goes further than any of them. **It entails the complete elimination of all current federal, state, and private health insurance.** [Medicare](#) would go away. The [Children’s Health Insurance Program](#) and [Medicaid](#)—gone. The entire employer-sponsored insurance (ESI) system would be a memory. Even the exchanges and federal subsidies of the Affordable Care Act (ACA) would disappear.

In their place would be a single program—managed and maintained by the federal government and funded by the taxpayer—into which all Americans would be forced, and within which all health care providers would have to work. There would be no alternatives, no opt-outs, no choice. The scale of the disruption to the health care sector is almost impossible to estimate. Every coverage decision, every procedure becomes a federal (and political) issue. The scale of the bureaucracy necessary to administer it all would be staggering. **And the cascading consequences would likely be tremendous, too.** What are the economic and labor-market effects of such a policy? What are the implications for the quality of America’s health care? We don’t really know.

Here’s what we do know: Every Senate Democrat currently considering a run for president is cosponsoring Sander’s legislation. **In 2016, Sanders’s proposal was seen by most**

Democrats as extreme if not insane. Democrats have traveled a long way in the last two-plus years. Here's what else we know: Americans with ESI like it, and want to keep it. We also know that the comparatively mild changes to the system under the ACA have been hugely disruptive as well as politically divisive.

Part of the reason the ACA is so divisive is that it was forced through without achieving consensus or obtaining bipartisan support. Yet **it appears that Sanders hasn't learned the political lessons of the ACA saga, as he is embracing use of the reconciliation budget process to enact his proposal.** When confronted with the fact that his legislation would not come close to meeting the narrow constraints of reconciliation, he [argued](#) that the vice president ultimately decides what qualifies for reconciliation, and "a vice president in a Bernie Sanders administration will determine that Medicare for All can pass through the Senate under reconciliation and is not in violation of the rules." This way to ignore Senate rules is not novel—it was most recently advocated for by some conservative senators as a means of repealing the ACA—but it is troubling.

To be fair, while much of the Democratic establishment seems to be bowing to pressure from the progressive left, **some experienced politicians see the danger.** Speaker Pelosi [recently](#) sought to tamp down the single-payer push, saying she supports building on the ACA and is "agnostic" on Medicare for All. She also argued that when people say they're for Medicare for All, they just mean they support universal coverage. The Speaker recognizes her majority is built on freshmen in red districts who won't survive a push for single-payer, but it's not that those who are running to lead the party and the country are willing to listen.

VIDEO

New in #Eakinomics - AAF President Douglas Holtz-Eakin discusses the recent and possibly confusing activity surrounding the Affordable Care Act.

WORTH A LOOK

[Modern Healthcare](#): Azar remains resolute on controversial Part D rebate rule

[Axios](#): Senate Republicans introduce bill protecting pre-existing conditions