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Obama's Health-Care Snake Oil

by Sheldon Richman

Barack Obama is an extraordinary politician, but not even he can defy the laws of economics and logic.

Obama promises that with enough power government will (1) ensure that everyone has the wherewithal to buy ample medical services, (2) lower the price of care, but (3) not interfere with our choices.

He sounds like the Wizard of Oz. The reason Obama wanted reform passed before the August congressional recess was that he was terrified you would look behind the curtain and find nothing but a bureaucrat who can't possibly deliver what the "great and powerful wizard" promises.

For the sake of our fiscal and physical health, do pay attention to that man behind the curtain.

Anyone who makes those three promises simultaneously is insulting the intelligence of the American people. That they aren't buying it should give us hope for the future of this country.

It should be obvious why government cannot possibly increase the demand for a set goods and services, while keeping prices from rising and respecting freedom of choice. In a world of scarcity, when the demand for something increases but the supply does not, prices rise. One of the objectives of health-care reform is to increase demand among those said to be going without (sufficient) medical care. If government pays for or subsidizes their coverage, people will buy more services than they do now. That means higher prices.

But Obama also promises to control rising costs, which he says threaten everyone's financial well-being.

There is one way for government to make medical care available to the uninsured while keeping a lid on costs, but most people won't like it: rationing. That is, a medical czar could reallocate medical services from those who have them today to those who (allegedly) don't.

Yet Obama insists he will not do that. In every speech and news conference, he promises that the system he favors will not interfere with your freedom. You can keep your doctor and your

coverage if you are happy with them, he says. (Ignore the fact that Obama-style reform calls for nearly complete control over how insurance companies operate, an extension of the regulation that has been in place for years. “All insurers would have to offer a minimum package of benefits, to be defined by the federal government, and nearly all Americans would be required to have insurance,” the *New York Times* reports. You would not be free to pay your own way or to buy a policy tailored to your wishes.)

Obama’s stated objectives have never been accomplished anywhere, and the United States will be no exception.

In Canada and Great Britain people wait in long lines for surgery and doctor visits. Some die while waiting. For a price, firms bring Canadians to the United States for operations. Strained government budgets are pushing France and Germany into rationing, Shikha Dalmia of the Reason Foundation reports. “The most potent form of rationing in France and Germany — and indeed much of Europe — is not overt but covert: delayed access to cutting-edge drugs and therapies that become available to American patients years in advance. The point is that there is no health care model, whether privately or publicly financed, that can offer unlimited access to medical services while containing costs. Ultimately, such a model arrives at a crossroads where it has to either limit access in an arbitrary way or face uncontrolled cost increases. France and Germany, which are mostly publicly funded, are increasingly marching down the first road,” Dalmia writes.

That is where “reform” will get us.

Obama’s conflicting mix of unlimited cheap medicine, insurance control, and freedom of choice is impossible — and he must know it. It’s hard to avoid the conclusion that he is putting political ambition ahead of the public interest. Ironically, there is a way to have freedom and more-affordable services: the free market. For years government has interfered with all aspects of medicine. That’s the problem. Intervention has brought us to where we are. Comprehensive intervention will only exacerbate the problems. It’s good to see that the American people are sensible enough to reject Obama’s snake oil.

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