

George Shultz calls book “essential reading”

# Curing American Health Care

**M**ore than 815,000 Canadians are currently on waiting lists for medical treatment. The British National Health Service cancels 100,000 surgeries every year because of resource shortages. In *Healthy Competition: What's Holding Back Health Care and How to Free It*, the Cato Institute's director of health policy studies Michael F. Cannon and director of health and welfare studies Michael D. Tanner argue that government-run medical services often fail their patients and explain how more competition could make higher-quality health care available to more Americans at lower prices.

In an effort to help more people gain access to health care, the U.S. government has drastically limited Americans' choices about their insurance coverage and their medical care. Tax incentives for employer-provided health insurance make individual coverage prohibitively expensive, locking people into whatever coverage their employers choose and keeping them tied to their jobs for fear of losing coverage. Senior citizens must accept



Medicare as their primary health care provider in order to keep their Social Security benefits. Health savings accounts (HSAs) were introduced in 2003 to give patients a limited ability to save and budget for medical expenses. Tanner and Cannon suggest that the expansion of HSAs would give workers control over all of their health benefits and that they would make wiser, more careful medical decisions about spending their own money.

Cannon and Tanner's analysis of the hidden costs of Medicaid and Medicare also demonstrates how such programs waste more than they benefit recipients. Medicaid and Medicare routinely pay doctors less than the cost of providing service, and the doctors recoup the costs by overbilling privately insured consumers. High prices make private insurance more expensive and therefore harder for poor workers to afford. Higher premiums, Cannon and Tanner say, lead to higher costs for employers, which lowers wages, raises unemployment, and makes employers less likely to offer any health coverage to their

lowest-income workers. The total cost of health care regulation in the United States is estimated at more than \$300 billion, a cost that puts health insurance beyond the means of about 7.5 million Americans. Attempts to help the poor get health care may actually be making them poorer.

Government's attempts to protect people from bad medicine have also been a failure. The book estimates that between 1,200 and 12,000 Americans die each year because treatments that could have saved their lives were delayed or rejected by the Food and Drug Administration. If patients and their doctors could make private decisions about the risks and benefits of experimental treatment options, many seriously ill patients would choose to take a chance on a new treatment, and perhaps thereby prolong their lives and expand our knowledge of medicine.

Despite their criticisms, Tanner and Cannon remind readers that the health care problem in the United States is not as dire as some observers would have us believe. U.S. medicine still produces the best outcomes in the world for everyone from premature babies to elderly cancer patients. American companies are the chief source of new treatments and procedures used to save millions of lives, and medical training and research are the best in the world. As Tanner and Cannon point out, the best way to improve our medical system is to give more Americans the ability to choose the best treatments that modern medicine has to offer and to remove restrictions that keep providers from improving care. The competitive market makes more services available to patients at a lower cost than any other system, and we must harness its power to ensure that Americans remain healthy for generations to come.

*Healthy Competition: What's Holding Back Health Care and How to Free It* is available (\$9.95 paper) from Cato Institute Books at 1-800-767-1241 or on the Cato website at [www.cato.org](http://www.cato.org). ■



## Libertarianism in Translation

**C**ato executive vice president David Boaz's 1997 book, *Libertarianism: A Primer*, continues to be translated and published in other languages. Above, from the top, are the Russian, Japanese, Bulgarian, English original, Serbian, Czech, and audio versions.



At the recent Mont Pèlerin Society meeting in Iceland, Boaz met with his Bulgarian and Czech translators. Left to right, Bulgarians Latchezar Bogdanov and Georgi Angelov, Boaz, and Czech economist David Lipka. Polish and Mongolian editions have just been published, an Arabic translation is under way, and publishers are being sought for Chinese and Spanish editions. The translations are part of the Cato Institute's commitment to spread the first principles of liberty and limited government throughout the United States and beyond.