Dear Fiscal Conservatives,

You should support single-payer healthcare, and the reason why, believe it or not, is that single-payer healthcare is the fiscally conservative route. I understand that this may not sound intuitive, as I’m sure that the thought of a single-payer healthcare system might conjure up the thought of a socialist-turned America where government runs your healthcare and you’re taxed to oblivion. You may also be thinking, “where is the money going to come from?”, which I steadfastly agree is a legitimate concern as nothing is free, and government-funded anything of course means tax-payer funded. If you’re dissatisfied with the way that the Affordable Care Act has affected your healthcare by say resulting in higher premiums, or making you change your plan that worked for you, believe me, I hear you and could not agree with your frustration more. Furthermore, we definitely would not want a situation where the quality of healthcare on the whole gets worse.

I have good news for you, and that is that none of the above concerns would come to fruition with a single-payer healthcare system, and that is because the single-payer system would overall be less wasteful, more cost-efficient, simplified, and would leave all your healthcare decisions in your own hands. In short, it would be the fiscally conservative move. Before I explain how this type of system would be more fiscally conservative, allow me to explain how the current system is anything but fiscally conservative. The United States spends more of its GDP per capita on healthcare than any other developed nation in the world, which includes any country that currently has a single-payer system. This means that the annual cost of healthcare per person is higher in this country than anywhere else, but despite that, you still have to pay that co-pay or deductible when you go to the hospital that can range from hundreds to thousands of dollars. The primary reason for this is because our private insurance system is anything but market-efficient or economically sound in any form. Essentially, the prices of medicine and medical procedures do not reflect their actual costs. If you’ve ever thought back to getting a ridiculously high bill after a hospital visit and thinking “wow, there is no way that procedure costs that much money”, you’d be completely right, because it doesn’t. Private health insurers drive up the cost of healthcare because they are the middleman between you and healthcare providers, so all of that extra money that doesn’t reflect actual medical costs represents profit for the insurance company and a deadweight loss for you. What would make this system of transactions more financially efficient? If the middleman in the equation is taken out, and that’s exactly what the single-payer system does.

The first thing you should know is that a single-payer healthcare system isn’t the same thing as “socialized medicine”, and is far from a “government takeover of healthcare”. People tend to get the terms “universal healthcare”, “single-payer”, and “socialized medicine” confused, understandably, and therefore end up using them interchangeably. Universal healthcare is any healthcare system where everybody is guaranteed healthcare coverage, and two different systems that fall under that umbrella are single-payer and socialized medicine. Socialized medicine is a system where the government acts as both the financier and provider of healthcare, and it is the system that countries like Norway and the United Kingdom have. This is the system where government literally runs healthcare. The single-payer system, however, is different in that the government only acts as the *insurer* of healthcare, while healthcare practitioners are still private. This is important to keep in mind, because it means that all your healthcare choices would still be yours, and everything that is good about private health practice would still be the same. Single-payer just means that the government acts as the sole insurer of healthcare instead of insurance companies. So instead of buying health insurance from a company, you would indirectly be buying it from the government. The government, however, wouldn’t have or need a profit margin like insurance companies do, and so the price of that health insurance you would be buying off of the government would be cheaper because it would only reflect the cost of care itself. The best part is, that insurance package would include everything you need, and after paying into that insurance system you would not have to pay any medical expenses out-of-pocket.

You may be thinking, “that sounds nice, but who is going to pay for it?” And the answer is that you would, just not directly. “So that means through taxes?” Yes, it does. In the U.S. it would be financed largely through a payroll tax, as well as a slight increase in other taxes. This just means that a portion of your income would go straight to financing your own healthcare, and you would pay some extra taxes on top of that. I can assure you that the combined cost of that payroll tax and any tax increase resulting would still come out to being less than what you are currently paying for your healthcare plan, especially if you factor in the cost of premiums and deductibles. Also, because this system mostly pays for itself, it wouldn’t result in increased government debt for healthcare spending. This is true because if it weren’t, then the average cost of healthcare per person in the U.S. wouldn’t be higher than that of countries like Canada that have single-payer. Furthermore, this is true because all of the unnecessary costs in the current healthcare system wouldn’t be there. Did you know that the administrative overhead for health insurance companies is about 12% of their total spending, and that advertising is roughly 15%? Remember that it is you who is currently paying these costs, and that this is money that doesn’t go back into your healthcare at all. Comparatively, the government’s administrative overhead is 2%, and the advertising costs would be exactly zero. Furthermore, in the current system, hospitals are incentivized to throw in unnecessary tests and procedures on top of what you’re actually there in need of. This is because they get reimbursed by your insurance company for every procedure they perform, whether you need it or not. With the profit out of the way, medical facilities would only perform the necessary procedures, because public insurance simply wouldn’t pay for more than that.

If this idea sounds foreign and incompatible with the way the U.S. functions, then you might be surprised to hear that we actually already have a form of this going on, and you know it by the name of “Medicare”. Medicare, which we have had since the late 1960’s, and is immensely popular among both conservatives and liberals alike is a single-payer system in every way I just described. It is financed primarily by a payroll tax, covers all procedures and medicine, and leaves your healthcare choices to yourself. It just only applies to people 65 and over so far, but it has been a success. Therefore, switching to single-payer wouldn’t involve building a system from scratch, it would just involve expanding the one that works already to everybody.

At this point I’ve essentially explained how single-payer is more cost-efficient for both you and everyone else in the long run. The last concern I can bet you are worried about though is that the system will be oversaturated with people and will result in “rationing” and poorer coverage overall. However, there is very little evidence for this, especially in countries like Canada, where the approval rating for the healthcare system is astoundingly higher than that of the United States’. There is also little to no statistical evidence of people leaving countries with single-payer to come to the U.S. to access health services that they couldn’t in their own countries. This tends to only be the case regarding very specific medical procedures that people who have extra means pay for because they want to buy the highest quality care possible out-of-pocket. Doctors would still be well compensated with your money, except insurance companies wouldn’t.

The single-payer system is more cost-efficient for the country, simple, comprehensive, saves you money in the long-term, and keeps healthcare between you and your doctors. The current system costs you more money, wastes money on expenses that are non-healthcare related, and *already does* involve costly government spending and intervention. Therefore, by the looks of it, the single-payer system is the more fiscally conservative choice.

Regards,

A fiscally concerned person