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Op-Ed Columnist

Pride, Prejudice, Insurance

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General Motors is reducing retirees' medical benefits. Delphi has declared bankruptcy, and will probably reduce workers' benefits as well as their wages. An internal Wal-Mart memo describes plans to cut health costs by hiring temporary workers, who aren't entitled to health insurance, and screening out employees likely to have high medical bills.

These aren't isolated anecdotes. Employment-based health insurance is the only serious source of coverage for Americans too young to receive Medicare and insufficiently destitute to receive Medicaid, but it's an institution in decline. Between 2000 and 2004 the number of Americans under 65 rose by 10 million. Yet the number of nonelderly Americans covered by employment-based insurance fell by 4.9 million.

The funny thing is that the solution - national health insurance, available to everyone - is obvious. But to see the obvious we'll have to overcome pride - the unwarranted belief that America has nothing to learn from other countries - and prejudice - the equally unwarranted belief, driven by ideology, that private insurance is more efficient than public insurance.

Let's start with the fact that America's health care system spends more, for worse results, than that of any other advanced country.

In 2002 the United States spent \$5,267 per person on health care. Canada spent \$2,931; Germany spent \$2,817; Britain spent only \$2,160. Yet the United States has lower life expectancy and higher infant mortality than any of these countries.

But don't people in other countries sometimes find it hard to get medical treatment? Yes, sometimes - but so do Americans. No, Virginia, many Americans can't count on ready access to high-quality medical care.

The journal Health Affairs recently published the results of a survey of the medical experience of "sicker adults" in six countries, including Canada, Britain, Germany and the United States. The responses don't support claims about superior service from the U.S. system. It's true that Americans generally have shorter waits for elective surgery than Canadians or Britons, although German waits are even shorter. But Americans do worse by some important measures: we find it harder than citizens of other advanced countries to see a doctor when we need one, and our system is more, not less, rife with medical errors.

Above all, Americans are far more likely than others to forgo treatment because they can't afford it. Forty percent of the Americans surveyed failed to fill a prescription because of cost. A third were deterred by cost from seeing a doctor when sick or from getting recommended tests or follow-up.

Why does American medicine cost so much yet achieve so little? Unlike other advanced countries, we treat access to health care as a privilege rather than a right. And this attitude turns out to be inefficient as well as cruel.

The U.S. system is much more bureaucratic, with much higher administrative costs, than those of other countries, because private insurers and other players work hard at trying not to pay for medical care. And our fragmented system is unable to bargain with drug companies and other suppliers for lower prices.

Taiwan, which moved 10 years ago from a U.S.-style system to a Canadian-style single-payer system, offers an object lesson in the economic advantages of universal coverage. In 1995 less than 60 percent of Taiwan's residents had health insurance; by 2001 the number was 97 percent. Yet according to a careful study published in Health Affairs two years ago, this huge expansion in coverage came virtually free: it led to little if any increase in overall health care spending beyond normal growth due to rising population and incomes.

Before you dismiss Taiwan as a faraway place of which we know nothing, remember Chile-mania: just a few months ago, during the Bush administration's failed attempt to privatize Social Security, commentators across the country - independent thinkers all, I'm sure - joined in a chorus of ill-informed praise for Chile's private retirement accounts. (It turns out that Chile's system has a lot of problems.) Taiwan has more people and a much bigger economy than Chile, and its experience is a lot more relevant to America's real problems.

The economic and moral case for health care reform in America, reform that would make us less different from other advanced countries, is overwhelming. One of these days we'll realize that our semiprivatized system isn't just unfair, it's far less efficient than a straightforward system of guaranteed health insurance.