

# Green Mountain Care: Mission Impossible

John McClaughry

With Governor Shumlin's signature the government of the state of Vermont has officially become the first American state to set out on the path to an all-inclusive taxpayer-financed single payer health care system.

That result is scheduled to materialize in 2017, when the Federal government will presumably agree to convert the ObamaCare health insurance tax credits for employers and employees into transfer payments to the Green Mountain Care Board. That assumes that by that date there will still be tax credits to convert.

The Vermont Health Care for All lobby group makes much of the statement in the new legislation that "health care is a public good". Apparently "public good" has taken the place of "human right," even though Gov. Shumlin, in his bill signing speech, hailed the impending creation of a new system "that treats health care as a right, not a privilege."

Any competent economist can explain why "health care" cannot be a "public good" (it is not "non-rivalrous" and "non-excludable".) Any competent lawyer can explain that nowhere in our Constitutions and laws can there be found a "right", whereby you can force providers to give you whatever medical services you believe you are entitled to. But leaving aside that the proposed single payer plan is founded on one or both of two falsehoods, the newly-empowered architects of this project face staggering tasks.

Gov. Shumlin is fond of saying that single payer is the only realistic way to achieve "cost control". A hint of what that means can be found in the bill's language that "all Vermonters must receive affordable and appropriate health care at the appropriate time in the appropriate setting."

That might be reassuring, until one realizes that the single payer health care mega-system can only extract so much money from taxpayers. The amount of money available will inevitably define what care is "appropriate", what time of service is "appropriate", and what setting is "appropriate?"

The primary mechanism for cost control is a government-enforced "global budget." When asked how essentially infinite demands for health services can be squared with "cost control", one early and fervent backer of single payer (former Sen. Cheryl Rivers) replied breezily, "the global budget defines how much will be spent on health care. So the cost is controlled."

In other words, the Green Mountain Care Board will decide how much coverage each category of Vermonters is entitled to receive, when they will get it, who will provide it, and how much the providers will be paid for providing it, all in light of the available funds.

The new law stops short – so far - of prohibiting providers from accepting private paying patients. That was the case in Quebec until 2005, when the Supreme Court of Canada struck down the provincial ban on private health coverage. The Court found it impermissible for the government's single payer system to bar patient access to private doctors when government cost containment policies left thousands of those patients without such access.

That points to another major problem to be faced. A major cost containment technique used in Quebec's single payer system is limiting the number of and payments to providers. With fewer providers, there will be fewer patient visits and medical services. With fewer visits and services, there will be fewer billings. With fewer billings, costs will be contained.

Is this the Shumlin model? Is there some other possible single payer model?

It should come as no surprise that single payer in Quebec has long been characterized by rationing, long waiting lines, maddening bureaucracies, demoralized doctors and nurses, shabby facilities, obsolete technology, declining quality of care, and much higher taxation.

Vermonters want to know how much in new taxes they'll be asked to pay to enjoy the as yet unspecified benefits of Green Mountain Care. That will depend on the extent of benefits mandated by the Board, the future payments from a federal government \$15 trillion in debt, whether the state can impose a payroll tax on self-insured companies (legally doubtful), and the level of underpayment the state can get away with without sending its hospitals into insolvency and its doctors fleeing elsewhere.

The backers of single payer, notably Gov. Shumlin, are sensitive on this point. That's why they made sure that the method of raising the \$3 billion in new taxes to pay for Green Mountain Care won't be made public until after the 2012 elections.

John McClaughry is vice president of the Ethan Allen Institute ([www.ethanallen.org](http://www.ethanallen.org)).

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