

A Referendum on ObamaCare and Liberty

By Christopher DeMuth

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On Tuesday, Americans will go to the polls to choose whether or not to nationalize their health-care system.

The choice for president will have numerous other consequences. But in most cases we will be choosing between tendencies shrouded in uncertainty. The candidates have staked out positions and made some explicit promises—but how these work out in practice will depend on many future contingencies, and many an earnest campaign promise has been confounded or even reversed in the past. The health-care choice is singular not only for its importance but for its certainty.

If President Barack Obama is re-elected, ObamaCare's controls over doctors, hospitals, pharmaceutical firms and other providers of medical care will be tightened, and the operations of private insurance companies will be progressively restricted. Everyone involved will know where the process is going—to a single-payer system or one with a few chosen insurers subject to national public-utility controls—and will negotiate the best possible accommodations to it. Within a few years, a new political equilibrium will be in place, making the system irreversible and subject to only marginal adjustment.

If Gov. Mitt Romney is elected, by contrast, ObamaCare's controls will be turned to promoting freer, more -competitive markets, laying the groundwork for legislative "repeal and replace." That will involve straight-forward policies to correct defects in health-insurance markets (portability, restrictions regarding pre-existing -conditions, special-interest state -mandates) while reversing ObamaCare's gratuitous further step of nationalizing health care for everyone. It will also -involve bolstering the solvency of Medicare, reforming Medicaid and, one hopes, limiting the tax subsidy of -employer-provided health insurance, which now distorts consumer behavior in the direction of wasteful consumption.

Which direction voters choose on Tuesday will have profound consequences for the cost, quality and availability of health care in America. The debates over government-run health care frequently have invoked the experience of the British and Canadian health services. Yet managing the medical care of 313 million Americans will involve problems of scale and complexity unlike those of managing the care of 60 million Brits or 35 million Canadians.

America is a large, wealthy, dynamic and heterogeneous nation. It is also the only major country that continues to maintain a health-care system with substantial elements of competitive supply, pricing freedom, patient choice, and diversity in approaching complex and uncertain medical problems.

Moving from a world with one such system to a world with none—a world with no major market where new medical drugs and devices can be priced to return large investments in research and development, for example—will fundamentally change the prospects for future medical progress.

The most important result of ObamaCare will go beyond health care, though, to the dynamics of American politics. Today, the details of federal government policy are important primarily to those in heavily regulated sectors such as finance, energy and communications; to professionals such as lawyers and tax accountants; and to those who for one reason or another are dependent on public assistance. Between elections, most members of the American middle class can go about their lives with little distraction from Washington.

Under ObamaCare, that will change. In the past year, America's political leaders have laid before the nation the question of whether universities should be required to give free birth-control pills and devices to their students. That is just an intimation of what is to come. Health care involves innumerable such questions, many of them inviting political appeals to one or another demographic group, that will now be coming at us incessantly.

A striking (and ominous) development in American politics in recent decades has been the emergence of government as an aggressive promoter of routine middle-class consumption—typically debt-financed consumption, as for home mortgages and college tuition. But the government's promotion of the consumption of highly particular items relating to personal health (also, undoubtedly, debt-financed) will take the practice to an entirely new level.

Every middle-class American of every age and circumstance will be constantly in the government's sights. The tendency—already evident at the state level—will be to require generous, subsidized coverage of routine health and “wellness” services involving lifestyle, cosmetics, amenity and child development; of “preventive medicine” such as weight-reduction programs; and of “alternative medicine” such as massage and herbal therapies. At the same time (as already evident under Medicare) the treatment of infrequent but costly catastrophic diseases and conditions will be limited in the name of cost control, and the case-by-case discretion of doctors and other providers will be closely monitored and restricted.

For tactical reasons, neither President Obama nor Gov. Romney has emphasized the election's special, referendum-like importance for the future of American health care and politics. But it truly is a moment of We the People sovereignty—so the more of us who realize what we are doing, the better.

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