

The Swiss Menace

By PAUL KRUGMAN

It was the blooper heard round the world. In an editorial denouncing Democratic health reform plans, Investor's Business Daily tried to frighten its readers by declaring that in Britain, where the government runs health care, the handicapped physicist Stephen Hawking "wouldn't have a chance," because the National Health Service would consider his life "essentially worthless."

Professor Hawking, who was born in Britain, has lived there all his life, and has been well cared for by the National Health Service, was not amused.

Besides being vile and stupid, however, the editorial was beside the point. Investor's Business Daily would like you to believe that Obamacare would turn America into Britain — or, rather, a dystopian fantasy version of Britain. The screamers on talk radio and Fox News would have you believe that the plan is to turn America into the Soviet Union. But the truth is that the plans on the table would, roughly speaking, turn America into Switzerland — which may be occupied by lederhosen-wearing holey-cheese eaters, but wasn't a socialist hellhole the last time I looked.

Let's talk about health care around the advanced world.

Every wealthy country other than the United States guarantees essential care to all its citizens. There are, however, wide variations in the specifics, with three main approaches taken.

In Britain, the government itself runs the hospitals and employs the doctors. We've all heard scare stories about how that works in practice; these stories are false. Like every system, the National Health Service has problems, but over all it appears to provide quite good care while spending only about 40 percent as much per person as we do. By the way, our own Veterans Health Administration, which is run somewhat like the British health service, also manages to combine quality care with low costs.

The second route to universal coverage leaves the actual delivery of health care in private hands, but the government pays most of the bills. That's how Canada and, in a more complex fashion, France do it. It's also a system familiar to most Americans, since even those of us not yet on Medicare have parents and relatives who are.

Again, you hear a lot of horror stories about such systems, most of them false. French health care is excellent. Canadians with chronic conditions are more satisfied with their system than their U.S. counterparts. And Medicare is highly popular, as evidenced by the tendency of town-hall protesters to demand that the government keep its hands off the program.

Finally, the third route to universal coverage relies on private insurance

companies, using a combination of regulation and subsidies to ensure that everyone is covered. Switzerland offers the clearest example: everyone is required to buy insurance, insurers can't discriminate based on medical history or pre-existing conditions, and lower-income citizens get government help in paying for their policies.

In this country, the Massachusetts health reform more or less follows the Swiss model; costs are running higher than expected, but the reform has greatly reduced the number of uninsured. And the most common form of health insurance in America, employment-based coverage, actually has some "Swiss" aspects: to avoid making benefits taxable, employers have to follow rules that effectively rule out discrimination based on medical history and subsidize care for lower-wage workers.

So where does Obamacare fit into all this? Basically, it's a plan to Swissify America, using regulation and subsidies to ensure universal coverage.

If we were starting from scratch we probably wouldn't have chosen this route. True "socialized medicine" would undoubtedly cost less, and a straightforward extension of Medicare-type coverage to all Americans would probably be cheaper than a Swiss-style system. That's why I and others believe that a true public option competing with private insurers is extremely important: otherwise, rising costs could all too easily undermine the whole effort.

But a Swiss-style system of universal coverage would be a vast improvement on what we have now. And we already know that such systems work.

So we can do this. At this point, all that stands in the way of universal health care in America are the greed of the medical-industrial complex, the lies of the right-wing propaganda machine, and the gullibility of voters who believe those lies.

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Correction: In Friday's column I mistakenly asserted that Senator Johnny Isakson was responsible for a provision in a House bill that would allow Medicare to pay for end-of-life counseling. In fact, he is responsible for a provision in a Senate bill that would allow a different, newly created government program to pay for such counseling.