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Health care is good for the economy

By Diane Francis

Universal health care is a cornerstone of smart economic policy.

Take, for example, the effect of guaranteed health care on economic activity, business expansion or the public's sense of wellbeing.

If a worker in Canada or Europe or Japan loses his or her job this recession, it's a psychological and financial blow.

But if an American loses his or her job, the family faces financial ruin if sickness strikes any member because they are without healthcare coverage. Bridge coverage is available but unaffordable for anyone but the wealthy. Worse yet, if a major illness is diagnosed during unemployment, a worker becomes unemployable, bringing about a life sentence of poverty.

Little wonder, then, that consumer spending has ground to a halt in the United States, which makes the economic meltdown that much harder to combat or ever solve.

This underscores the fact that universal health care is not just smart and fair social policy but it is also smart economic policy.

But there are many other economic advantages to universal health care that makes one wonder why the Republicans, conservatives and business interests haven't been pushing for it. Instead, they are gearing up for a battle against President Obama which is, frankly, acting against their own best longterm interests. Here's why: z The United States spent 16.2% of its GDP on health care, plus up to 3% more on litigation concerning medical bills, while other countries spend 10% and nothing on litigation because bills are paid by everyone.

This is the United States' No. 1 competitive disadvantage; z People with serious illnesses are uninsurable and are stuck in jobs they cannot leave or remain unemployed because they are unemployable; z Tens of millions of uninsured people in the United States end up with health problems that become a drain on the society and economy in the long run; z Doctor, nursing, hospital and drug costs are out of control in the United States because of the profit motive, compared with countries where universal health care provides the basic underpinning. (By the way, in Canada only 50% of total healthcare expenditures are covered by governments and the rest, such as eyewear, dental or elective surgeries, by individuals).

U.S. costs are higher because doctors can over-serve those with health insurance, and patients can over-demand. Litigation also leads to over-doctoring (too many tests or too many days in hospitals) as well as high expenses in the form of malpractice insurance, an overhead that, in comparison, is negligible in Canada or Europe; z Detroit's three automobile companies have gone bust in large measure because of "legacy" or gold-plated healthcare promises at the United States' excessive prices that were unaffordable. This is not unique to the auto sector and has driven many jobs offshore in manufacturing.

Canada has a better health care system than does the United States. So does Europe and Japan.

Even developing nations, such as Ecuador or Mexico, look after all the basic needs of its population better than the United States looks after its hard-working citizens.

As an American living in Canada, I find it embarrassing that the United States -- rich and smart -
- has such a mediocre health care system.

I find it embarrassing that even educated and financially astute Americans buy the lies that the American Medical Association and others spew about Canada and other "socialized" medical schemes.

Facts are that governments in the United States are suckers. They cover the high-risk populations -- indigent, elderly and veterans -- and leave the gravy to the private sector health insurers.

These companies, by the way, make profits off their operations that are the same size as Canada's entire health care tab for 32 million people.

It's pretty shameful, but delusions persist and the medical myth-makers are girding for battle.

But Americans are capable of skepticism and change and deep down most realize that their health care system is sick, maybe terminal, and needs treatment as soon as possible.