

## Ideology

As a general rule, private enterprise is better than government at providing the things we need. We don't need nationalized farms, or government run auto companies, or a federal online retailer, because private farmers and GM and Toyota and Amazon do a much better job than government could.

On the other hand, we do want government to build the roads and highways on which we transport our foods and drive our Chevys and Camrys. We do want government to inspect the meat those private businesses sell us, and trace down the sources of those occasional salmonella outbreaks. If one of our auto companies goes bankrupt, we do want government to oversee an orderly transfer of ownership. And we are thankful that government created the internet that lets us shop online.

Any reasonable, thinking person will recognize that there are roles best left to private enterprise, and roles best handled by government. A thoughtful student of economics will learn how to distinguish the one set of roles from the other. And an ideologue is still repeating my first sentence, over and over again, minus the first four words.

It is ideology, not thoughtful analysis, that insists that Medicare needs to be privatized, and replaced by vouchers – the cornerstone of Paul Ryan's "Path to Prosperity". Economic analysis tells us that markets work best when consumers can readily assess the quality of the products they buy. With food and internet buys, we quickly learn from small, repeated purchases who gives us a good deal and who doesn't.

With cars, we can access all kinds of quality ratings. But what about health care, and health insurance? For most of us, our largest health care purchase will be in the last year of our life. By the time we learn whether our insurance provider gives good service or not, it's way too late. But for the ideologue, this doesn't matter. The science of observation and analysis can't compete with a religious blind faith, and anyone who says otherwise is branded a Socialist, a heretic to be ignored.

Any thoughtful analyst would observe that the government-run Medicare system is administered more efficiently than the private-run Medicare Advantage plans. As a result, according to the Congressional Budget Office, by 2022 a privatized Medicare system would cost almost 40% more, just to provide exactly the same insurance coverage for seniors. A thoughtful analyst would interpret ObamaCare's cuts to Medicare Advantage – a major portion of the "cuts to Medicare" you've been told about in the political ads – as ending wasteful spending. A thoughtful analyst would, but not an ideologue.

That thoughtful analyst would observe that among private insurance plans, administrative costs (as a percent of total cost) fall as plans get bigger. It's called economies of scale. So it makes sense to the analyst that the massive government-run Medicare system has the lowest administrative costs of all. Just not to the ideologue.

That thoughtful analyst would realize that there are other advantages to a single, large, government-run Medicare system. My wife, the office manager for a dental office, deals regularly with about 50 different insurance companies, each with their own rules, standards and requirements. Would that dental office's administrative costs be lower, if it only had to deal with one insurance provider? The thoughtful analyst would think so, but not an ideologue.

So which do you want, thoughtful analysis or ideology? Just be sure to cast your vote, one way or the other, this November.