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A Four-Step Health-Care Solution

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It's true that the U.S. health care system is a mess, but this demonstrates not market but government failure. To cure the problem requires not different or more government regulations and bureaucracies, as self-serving politicians want us to believe, but the elimination of all existing government controls.

It's time to get serious about health care reform. Tax credits, vouchers, and privatization will go a long way toward decentralizing the system and removing unnecessary burdens from business. But four additional steps must also be taken:

1. Eliminate all licensing requirements for medical schools, hospitals, pharmacies, and medical doctors and other health care personnel. Their supply would almost instantly increase, prices would fall, and a greater variety of health care services would appear on the market.

Competing voluntary accreditation agencies would take the place of compulsory government licensing--if health care providers believe that such accreditation would enhance their own reputation, and that their consumers care about reputation, and are willing to pay for it.