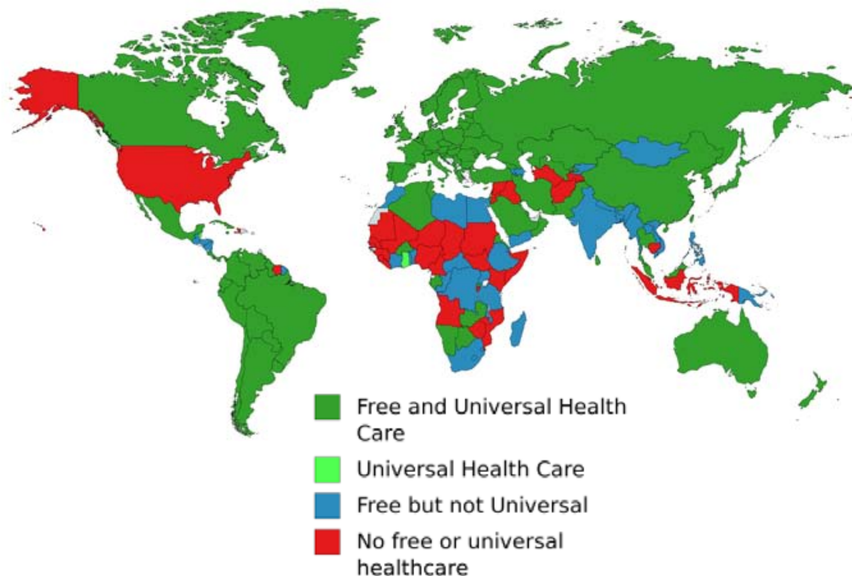
Achieving Affordable, Accessible & Equitable Quality Healthcare for Every American

Prepared by the Healthcare Committee February 2022

Overview

Healthcare in the U.S. has become a politically divisive and complex issue. For many Americans, interacting with the healthcare system has become dissatisfying and financially worrisome. Americans want good healthcare that's easy to access, use and is affordable. Public opinion polls show that there's strong support to control costs and expand health coverage to every American.

Currently, our healthcare is a hybrid, multi-payer system that includes corporate for-profit insurance, often tied to employment; public programs like Medicare, Medicaid, and Indian Health Services that also include private insurance to a lesser degree; and other programs with eligibility criteria funded mostly by taxes.



The US is one of the only wealthy, developed countries in the world that does not guarantee medical care to anyone who gets sick. The countries that do guarantee care are also committed to equal opportunity, individual liberty, and the free market, but have concluded that every person has a right to healthcare. Wealthy nations vary in how they deliver healthcare with some relying heavily on the government, some relying more on private health insurers, and others in between. In all cases, however, private insurers are tightly regulated to help control healthcare costs.

Universal Health Care means that everyone has access to health care. Granted, countries with universal healthcare still experience challenges. However, most importantly, countries with universal healthcare have better national health statistics than those that don't, including longer life expectancy, lower infant and maternal mortality, and fewer preventable deaths. According to the World Health Organization, the health of Americans is ranked 37th compared to countries around the world.

Polls show that as many as two in three Americans want the government to provide universal health coverage to all Americans. What's less clear is how to get there. To design a healthcare system involves political, economic and medical decisions. Do we guarantee medical treatment to everyone who needs it? Or do we allow some Americans to die from "a lack of income and access to healthcare?"

This document lays out, in clear and simple terms, important facts about healthcare in the U.S. Our goal is to help you think about which system would best fit your idea of how to receive and pay for healthcare.

Healthcare Terminology

Universal Coverage

Universal coverage means everyone has health insurance. Universal coverage can be provided by the government or a private company or some combination. There are different models in every nation, with many common features. Universal healthcare provides all medically necessary care for everyone in need and eliminates financial barriers to care. Countries with universal healthcare have an infrastructure to respond quickly to surges in public health needs (e.g. pandemics, earthquakes, wildfires, etc).

Single Payer

In a single-payer system the government pays all medical bills and sets prices for all medical procedures and drug costs. In a single-payer system all residents are covered for all medically necessary services including doctor, hospital, preventive, long-term care, mental health, reproductive health care, dental, vision, prescription drug and medical supply costs. A single-payer system healthcare can be thought of like public education; it's publicly financed and available to everyone.

Socialized Medicine

Unlike a single-payer system, socialized medicine is a system where the government owns the hospitals and clinics and employs the staff. The Veterans Health Administration (V.A.) and Indian Health Services are examples of socialized medicine.

Public Option

A public option is a healthcare insurance system managed by federal or state governments that is available for purchase. Public options exist side-by-side with private insurance, essentially competing for customers and maintaining a multi-payer system.

Medicare for All

Medicare is our current government health insurance program that covers 60 million people, age 65 and older and the disabled. It's very popular and efficient (98 cents of every dollar goes to healthcare). Medicare for All is a proposal before Congress to make Medicare available to the entire population and improve and enhance the benefits.

Medicare for All plans would minimize the current role of private insurance plans and may eliminate duplicate coverage, except for elective, non-medically necessary procedures. Individuals would be free to purchase extra private supplemental or "wrap around insurance" for benefits not included in public insurance, covering fancier hospital amenities, experimental treatments or branded prescription drugs. This would forestall the emergence of a two-tiered healthcare system, in which insurers would compete by lobbying to underfund the public part of the system.

Medicare Buy-In or Medicare Expansion

Another proposed approach is to keep the current Medicare coverage but allow people ages 50 to 64 or those who don't have employer-provided insurance to purchase it.

(Adapted from Kaiser Health News)

The U.S. Healthcare System is in a Serious Crisis

- There are over 600,000 families (1.4 million people) experiencing medically-related bankruptcies per year in the U.S.
- 80% of those who went bankrupt had good employer-based health insurance;
- 40% said that they had received a lower credit score because of their medical bills;
- 40% had taken on credit card debt to pay their bills and
- 35% had used up most or all their savings to pay their bills.
- It is estimated that 58 million adults are "underinsured" under the Affordable Care Act. Despite having insurance, they still struggle to pay medical bills because of such high co-pays and deductibles. This segment of the population is often likely to go without necessary care.
- Over 774,000 deaths every year in the U.S. are from untreated conditions and preventable diseases. (OECD)
- More than 1/3 of GoFundMe accounts go to pay for medical bills ($1.5 billion/year). (Business Insider).
- 42% of cancer patients lose all their assets within two years of diagnosis (American Journal of Medicine)
- In 2020, more than 45 million American workers filed for unemployment at the onset of the COVID 19 pandemic. Millions lost their healthcare during a healthcare crisis.

The U.S. has the most expensive healthcare in the world, yet has worse outcomes than many wealthy nations who use a model of universal healthcare. Rising costs of the current system are unsustainable. Rising healthcare costs suppress wage growth. Over the last decade, healthcare costs have eaten up a growing share (10-12%) of income for millions of middle-income workers with employer coverage.

Public opinion polls show strong support (70% approval across the political spectrum) for efforts to expand health coverage to more Americans.

This is a **non-partisan** issue. Both political parties have failed to prioritize the health needs of our nation. Their inaction puts individuals at great risk for catastrophic health and financial outcomes, and negatively affects the U.S. economy.

Current Legislative Proposals

Many proponents for healthcare reform suggest a universal single-payer, public healthcare plan building on Medicare, utilizing its infrastructure, adding more comprehensive benefits and putting treatment decisions back in the hands of patients and their providers.

There are currently two "Medicare for All" bills in Congress HR 1976 - Medicare for All Act of 2021 (House bill) and S.1129 - Medicare for All Act of 2019 (Senate bill). **Both provide the following:**

- Guaranteed healthcare for every American for LIFE!
- Covers all essential healthcare services: primary, preventative, and emergency care, mental health, addiction treatment, prescription drugs, dental, vision, hearing, medical devices, reproductive health, long-term and home care, etc.
- Covered services would be determined by boards of experts and patient advocates, not politicians; ineffective services would be excluded from coverage.
- Every American will enjoy the freedom and security of comprehensive coverage.
- Choice: Patients choose their doctors and hospitals - no networks to worry about.
- Eliminates premiums, co-pays, deductibles, co-insurance, and surprise medical bills.
- 95% of people will see an overall savings over the present system.
- Saves money while expanding quality care!
- Efficiency + Negotiation = Lower cost: Slashes bureaucracy, administrative paperwork, and has the leverage to negotiate prescription drug prices and services.
- In both bills, people will be free to change jobs, start their own business, move from state to state, go back to school, or get married or divorced without fear of losing employer-based healthcare coverage. Universal healthcare can unhinge health insurance from employment.

- HR 1976 has a 2-year rollout/transition period.
- S. 1129 has a 4-year rollout/transition period.

Cost, Access, and Quality: The Three Ingredients for a Stable Healthcare System for all Americans

How would passage of these bills affect healthcare cost, access and quality?

Cost (Economic Impact/Affordability)

- A universal single-payer system would provide comprehensive care to all Americans that would be affordable now and over the long term.
- Everyone will be able to afford healthcare because it will not be based on ability to pay. It will be based on a progressive financing, meaning high-income people pay more.
- Removing the obstruction of co-pays and deductibles serves to encourage increased use of healthcare avoiding deaths from preventable causes.
- The bills are anticipated to stimulate the economy as people and companies save money on healthcare and insurance and no longer experience medical bankruptcies. They can spend their money elsewhere.
- Creates access to high-quality healthcare while boosting wages (less money companies pay for healthcare can be used to raise wages) creating jobs and leading to more efficient labor markets that better match jobs and workers.
- Everyone being covered would cause a "multiplier effect" – more people utilizing healthcare services requires additional employment of doctors, nurses, medical technicians, etc.
- Long Term Care (LTC) facilities are currently unaffordable for most seniors in the U.S., averaging $100,000/year. A universal single-payer system would fund the full spectrum of LTC for all ages emphasizing at-home care.

Access

- All providers would be considered in-network for every American since there will not be alternatives to universal healthcare.
- No out-of-pocket expenses means all patients get care when needed, without worry about costs improving equity of care.
- The universal single-payer public plan would give the government the ability to negotiate drug costs on behalf of all Americans and provide the government with drug manufacturing capacity during an emergency.

- Hospital beds would be considered public health assets, not costs, helping prevent further closures of rural hospitals
- Between 2005 and 2021 181 rural hospitals closed. In 2022: 40% of rural hospitals are at risk.

Rural Hospital Closures Since 2005

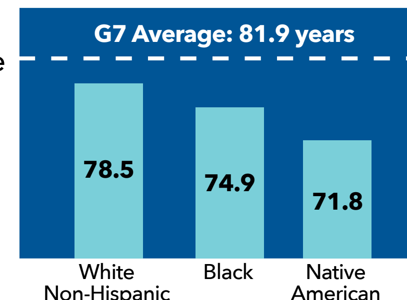
Quality (Outcomes)

Currently, Americans are sicker than their peer countries because our system of care is rationed according to income and fails to make investments that would keep us healthy over the long term. The quality and efficiency of a country's health care system can have a massive impact on its inhabitants' quality of life, health outcomes and ability to contribute to society.

- Americans are healthier and live longer when they have better access to healthcare services.
- A public system would improve the fairness, equity and efficiency of medical care.
- Administrative simplification will free up clinician and provider time to focus on patient care.
- A public system where service is free at delivery would exponentially improve outcomes by encouraging prevention and wellness care. Currently, patient cost-sharing blocks access to vital care (e.g. by delaying care when patients cannot afford their co-pay/deductible), reduces adherence to medications, and selectively burdens the sick and the poor.
- A universal single-payer system is also an antipoverty program, protecting Americans from the financial burden of illness and helping end medical bankruptcy.
- Within the U.S. there are significant racial disparities and inequities in life span and health outcomes, including maternal mortality rates. These disparities would decrease dramatically with improved access to healthcare in general.
- As a public entity this system will be publicly accountable with a more transparent discussion of coverage and open knowledge of prices. The public entity's interest is only for the benefit of patients.

2019: Marginalized Americans (BIPOC, rural, poor) got less healthcare and died 7-9 years younger than G7 Average

Sources: NCHS, HIS. OECD, CDC
Other G7 Nations: Canada, France, Germany, Italy, UK, Japan



Frequently Asked Questions

Will a single payer public plan reduce the cost of healthcare?
Significant savings over the current system would be achieved through lower administrative costs. Presently, Medicare's overhead is 2.3% vs. private insurance at 14-34%. Medicare is more efficient than corporate insurance.

It would save billions by having a single public plan process and pay all claims, thereby eliminating redundancy across multiple corporations and government agencies. Healthcare providers and hospitals no longer need their own massive billing operations. And, they'd be paid quicker.

Economists across the political spectrum predict a universal care model could redirect $600 billion per year of private insurance administrative waste to patient care and public health. In addition, negotiating drug prices would result in over $155 billion in savings annually. Clinicians would continue treating patients in their practices, with substantially reduced paperwork and administrative expenses.

These efficiencies would free up enough money for universal coverage without any overall increase in health spending, while controlling costs over time.

Government or tax-payer funding could offer stable, predictable funding for hospitals, so facilities in rural and low-income areas have the resources to serve their communities, especially during a pandemic. A universal program would fund each hospital with a "global budget;" a lump sum covering all operating expenses, eliminating per-patient billing. Global budgets would be negotiated annually between hospitals and the government funding entity based on previous years' operating expenses, changes in demand and proposed service enhancements.

In 2020, the U.S. spent $4.1 trillion on healthcare, yet 29+ million of Americans had no health insurance coverage, often through no fault of their own, and another 57 million of adults were underinsured, struggling under the ACA. Studies show a universal system would save money while expanding and improving coverage for every American.

The U.S. remains the outlier in terms of the level of societal resources devoted to treating the sick – nearly half again as much on a per capita basis as any other peer country on earth. There is plenty of money in the system to address all our needs – if only it were better targeted.

The major driver of our high healthcare spending is uncontrolled high prices. Compared to people in other countries, Americans don't use more prescription drugs, spend more time in the hospital, nor see doctors more often. But Americans are charged far more every time they do need any of these things.

Like Medicare does today, a single payer system would have the power to determine how much it pays for different kinds of care.

How will it be paid for?

Employers (making over $1 million annually) would pay into a fund (estimated at 6-9% of payroll) instead of purchasing insurance from private entities every year. (Average businesses today pay 15-20% of payroll for healthcare insurance.) The program would be paid for from our taxes, like police, firefighters, roads, education, libraries, the military and traditional Medicare. However, any increase in taxes that the average working family sees would be far less than the amount they and their employers are currently paying in premiums, co-pays, deductibles, and out-of-pocket expenses.

What about just fixing the Affordable Care Act, expanding Medicare and Medicaid, developing a public option, or keeping insurance companies in the mix?

All of these proposals leave the root problem of our dysfunctional system in place—the for-profit, multi-payer, financing model that is complex, inefficient, and expensive.

None of these plans can leverage the savings a single-payer plan would create, yet they're covering "fewer" people and offering less coverage.

Each of these proposals maintain an inequitable distribution of care, based on income.

- Extensive administrative staff is still needed to deal with the insurance-related claims work, e.g. thousands of policies, pre-authorizations, coding, billing, claim denials, soliciting payments, sending unpaid claims to collections, etc.
- As one plan among many, none would have the power to negotiate prices for equipment, medical devices, nor pharmaceuticals.
- In order for this to work and obtain equity, efficiency, effectiveness, affordability and be financially sustainable, all people must be covered, young and old, healthy as well as sick. Presently, insurance companies profit by covering the young & healthy, whereas Medicare/Medicaid insure the most costly, the old, disabled, and poor.
- For years the average insurance deductibles and premiums have outpaced wages by a significant margin. Nearly 100% of the cost of employer-sponsored insurance is passed down to the employee in the form of lower wages.
- In 2018-2019, 87-million people were either uninsured or underinsured. Having insurance is no guarantee of access to providers.
- Lack of insurance leads to poorer health and increases the chance of death by 40%.
- Underinsurance is rising and is associated with a 25% or greater likelihood of omitted or delayed care. This problem will continue under all these plans and people will continue to die from preventable causes because of lack of access and affordability.

Tinkering around the edges does not solve the problem.

Call to Action: What You Can Do

- Spread the facts about Quality, Affordable, Accessible, and Equitable Universal Healthcare on social media, Facebook and Twitter.
- Talk to friends, family members and co-workers.
- Question candidates in forums and town hall meetings.
- Support and vote for candidates who champion Quality, Affordabile, Accessible, and Equitable Universal Healthcare
- Join the League of Women Voters Healthcare Committee to educate our community about the facts.

Imagine a Healthcare System that Cares for You!

The League of Women Voters is dedicated to educating and mobilizing League members to work toward legislation that enacts the goals of our LWVUS healthcare position, with a strong focus on quality, accessible, affordable and equitable universal healthcare.

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