

Universal, quality, lifetime
and affordable health
insurance: A roadmap that
won't bankrupt us

Presenter Disclosures

The following personal financial relationships with commercial interests relevant to this presentation existed during the past 12 months:

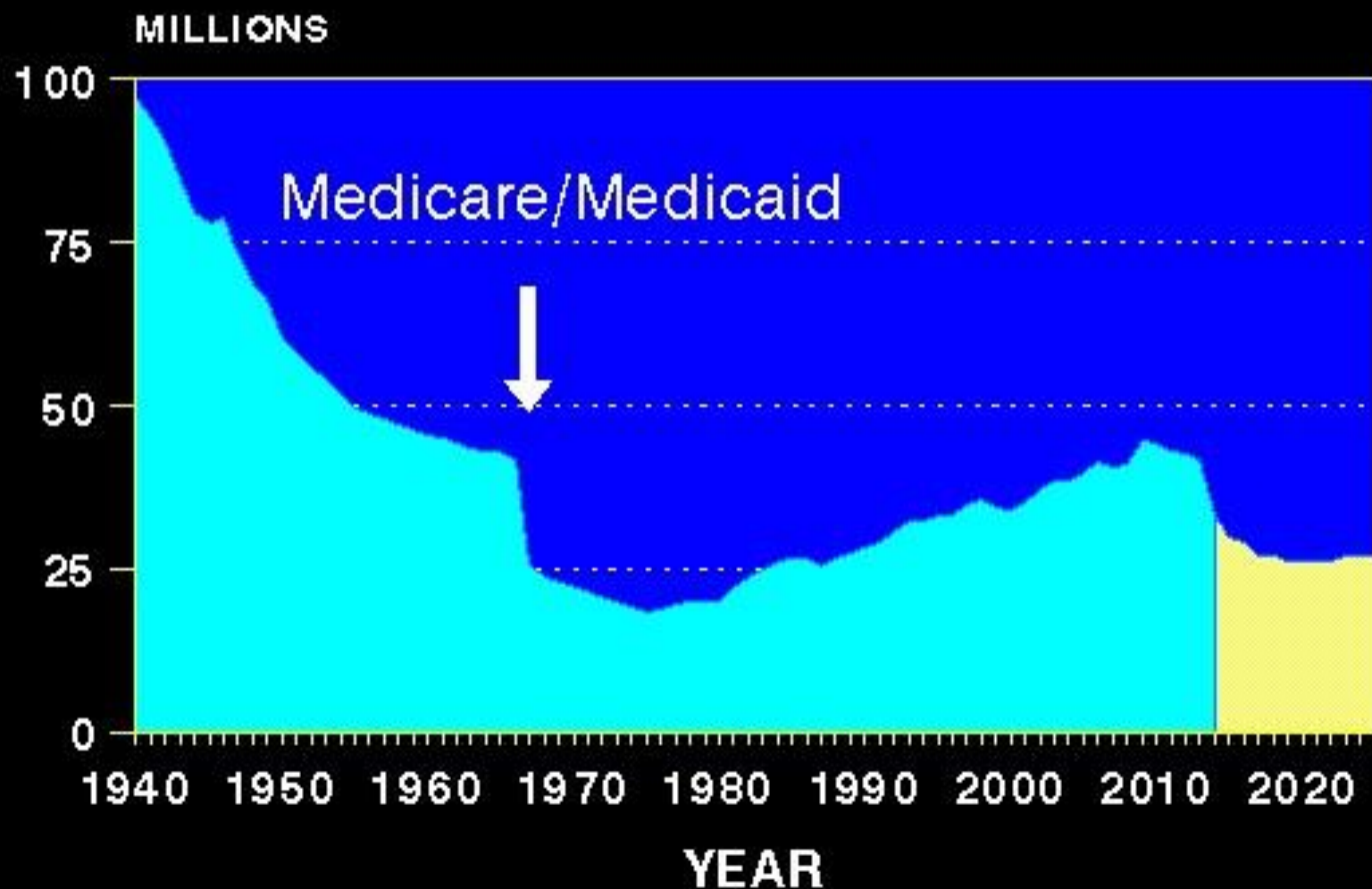
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Objectives:

1. Discuss the challenges facing the current US health care system with regard to costs, access, quality, choice and a lack of primary care.
2. Compare the strengths and weaknesses of the Affordable Care Act (ACA) and Single Payer (Medicare-for-All).
3. Understand the principles underpinning a single-payer National Health Insurance program, in particular its cost-effectiveness and administrative efficiency

US Healthcare System: Best in the world?

UNINSURED ALL YEAR, 1940-2025



SOURCE: Social Security Bul, HIAA, CPS and CBO estimate

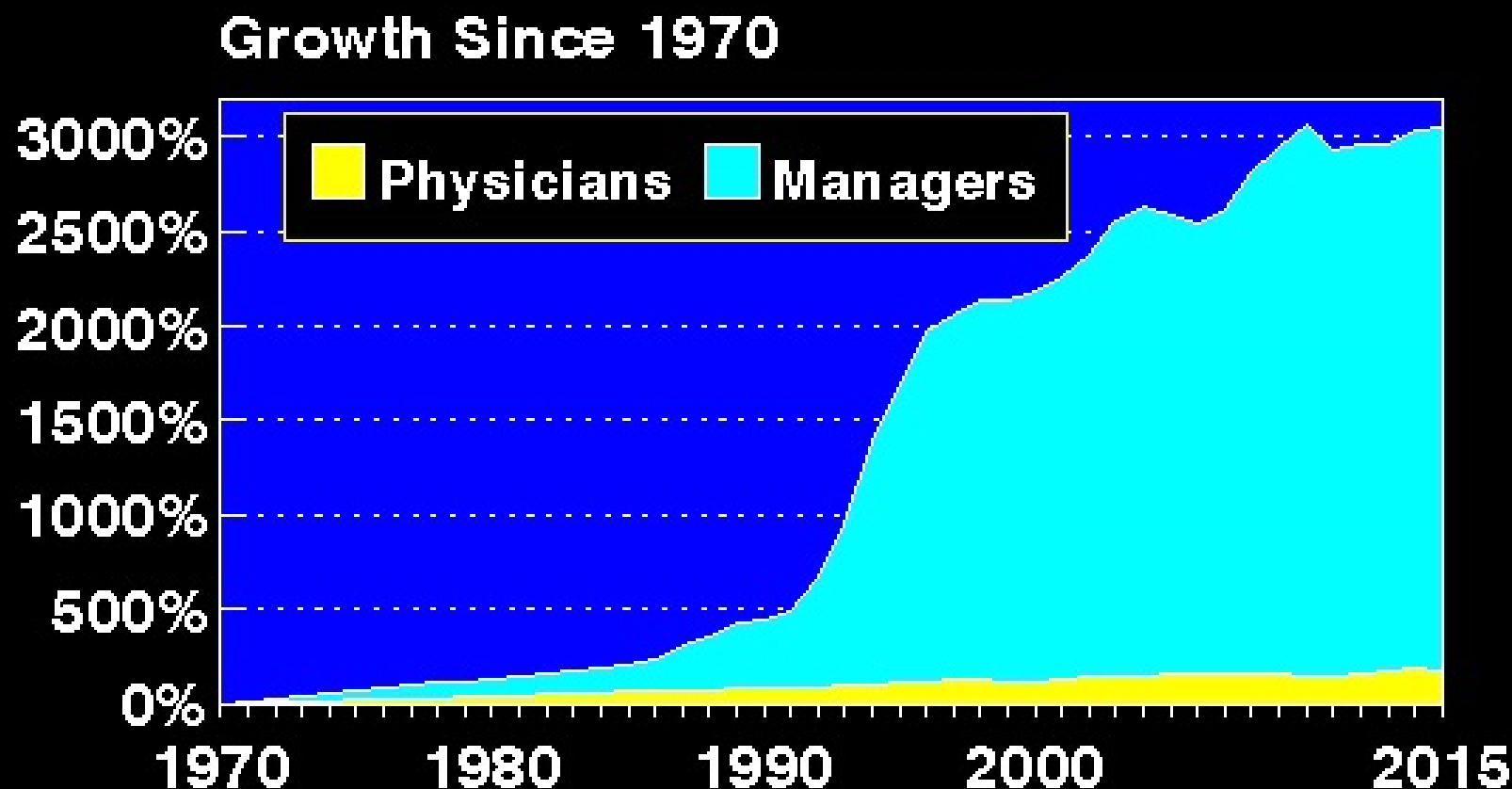
U.S. PUBLIC Spending Per Capita for Health Exceeds TOTAL Spending in Other Nations



Note: Public includes benefit costs for govt. employees & tax subsidy for private insurance

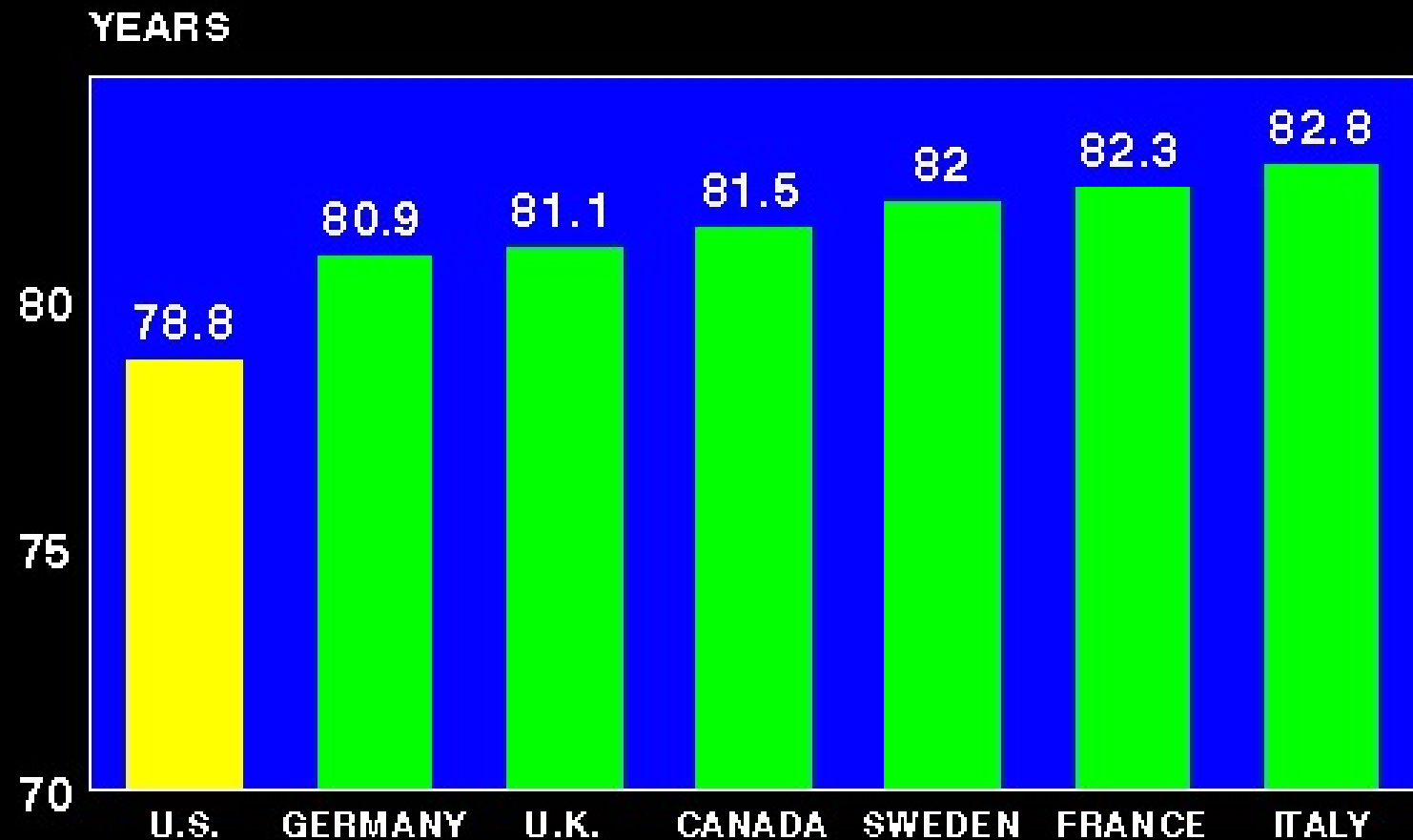
Source: OECD 2015; NCHS; Health Aff 2002; 21(4):88 - Data are for 2014 or most recent available

Growth of Physicians and Administrators 1970-2015



Source: Bureau of Labor Statistics; NCHS; and Himmelstein/Woolhandler analysis of CPS
Note - Managers shown as moving average of current year and 2 previous years

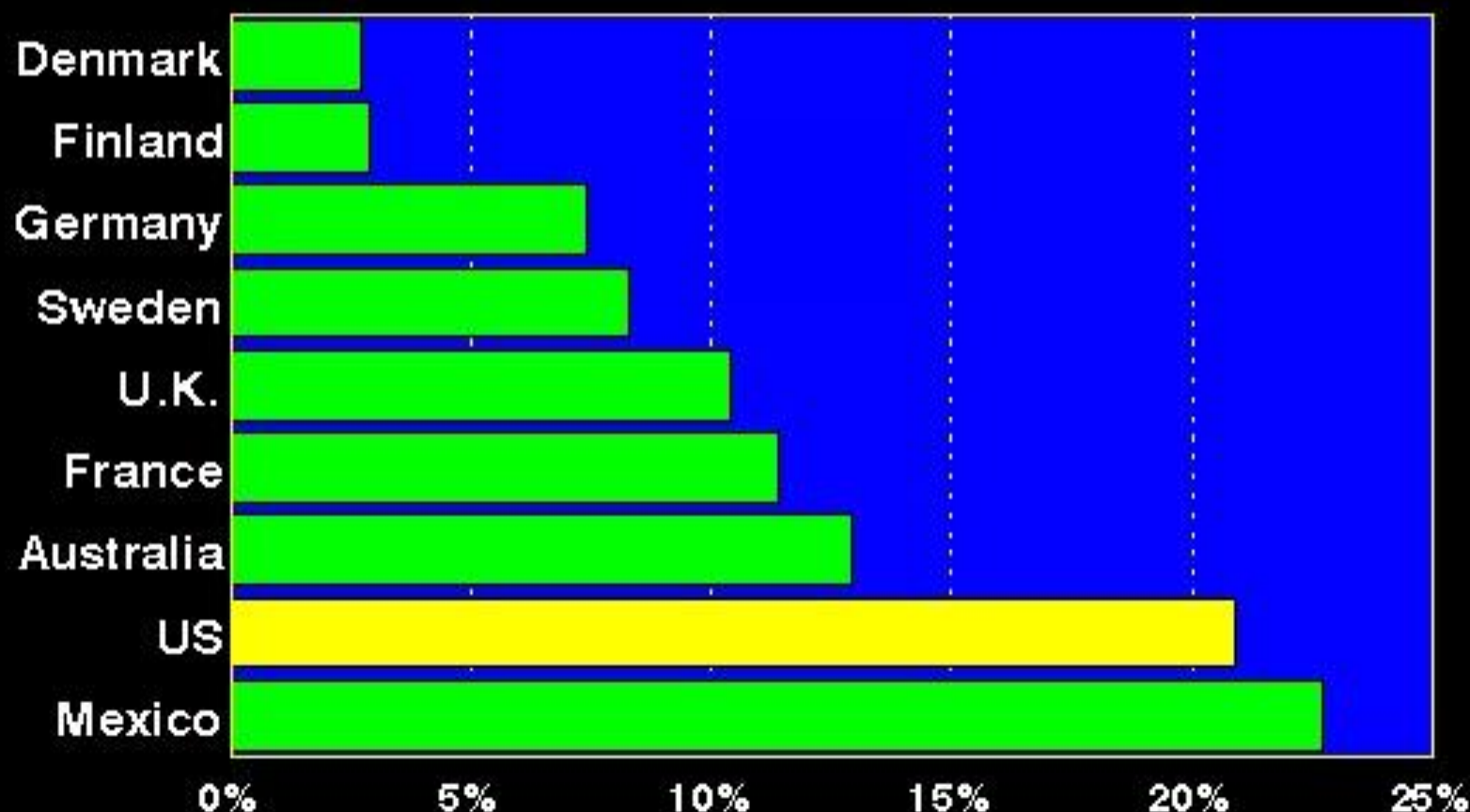
Life Expectancy



Source: OECD, 2015

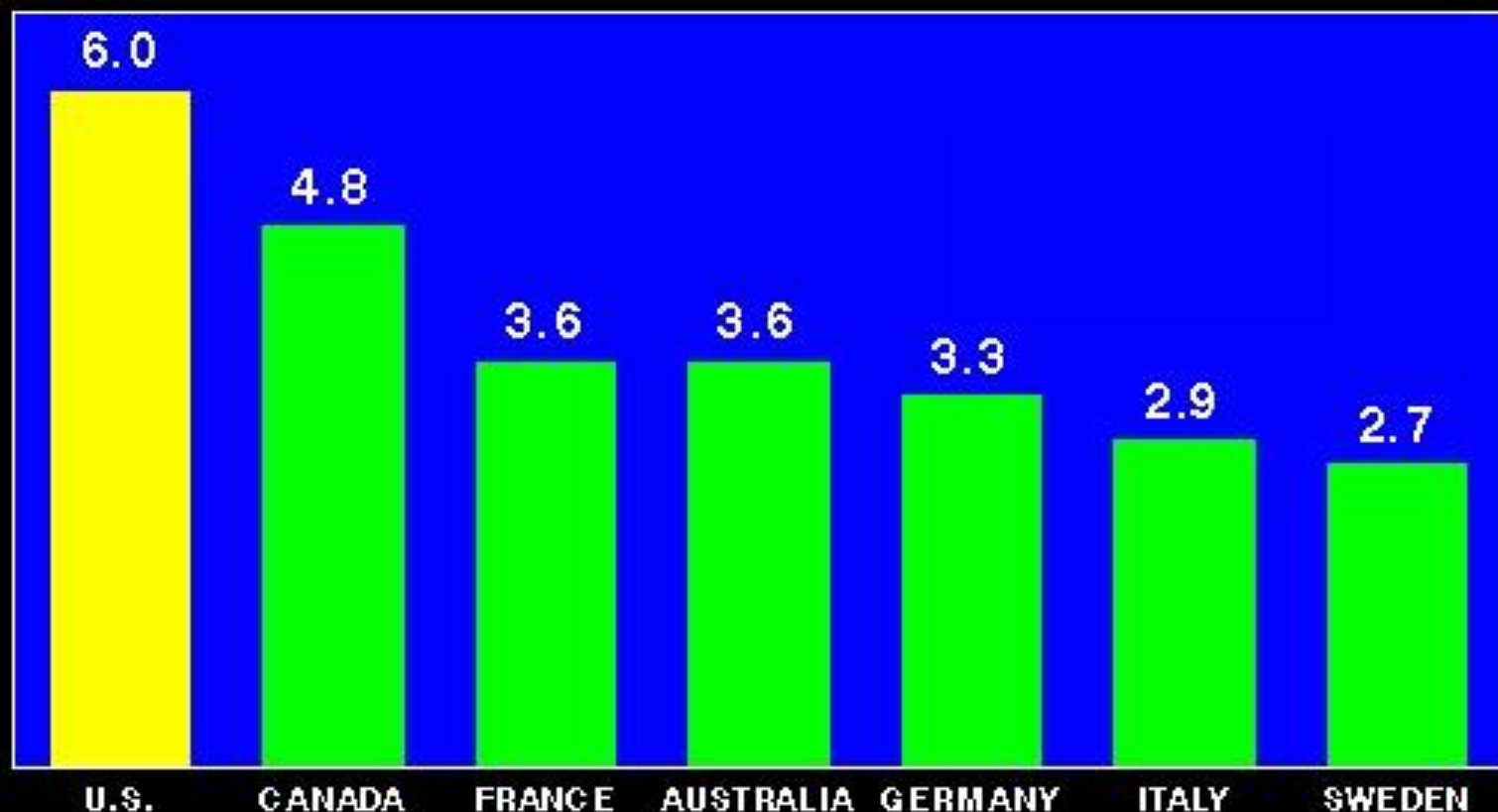
Note: Data are for 2013 or most recent year available

Child Poverty Rates U.S. and Other Industrialized Nations



Infant Mortality

Deaths in First Year of Life/1000 Live Births

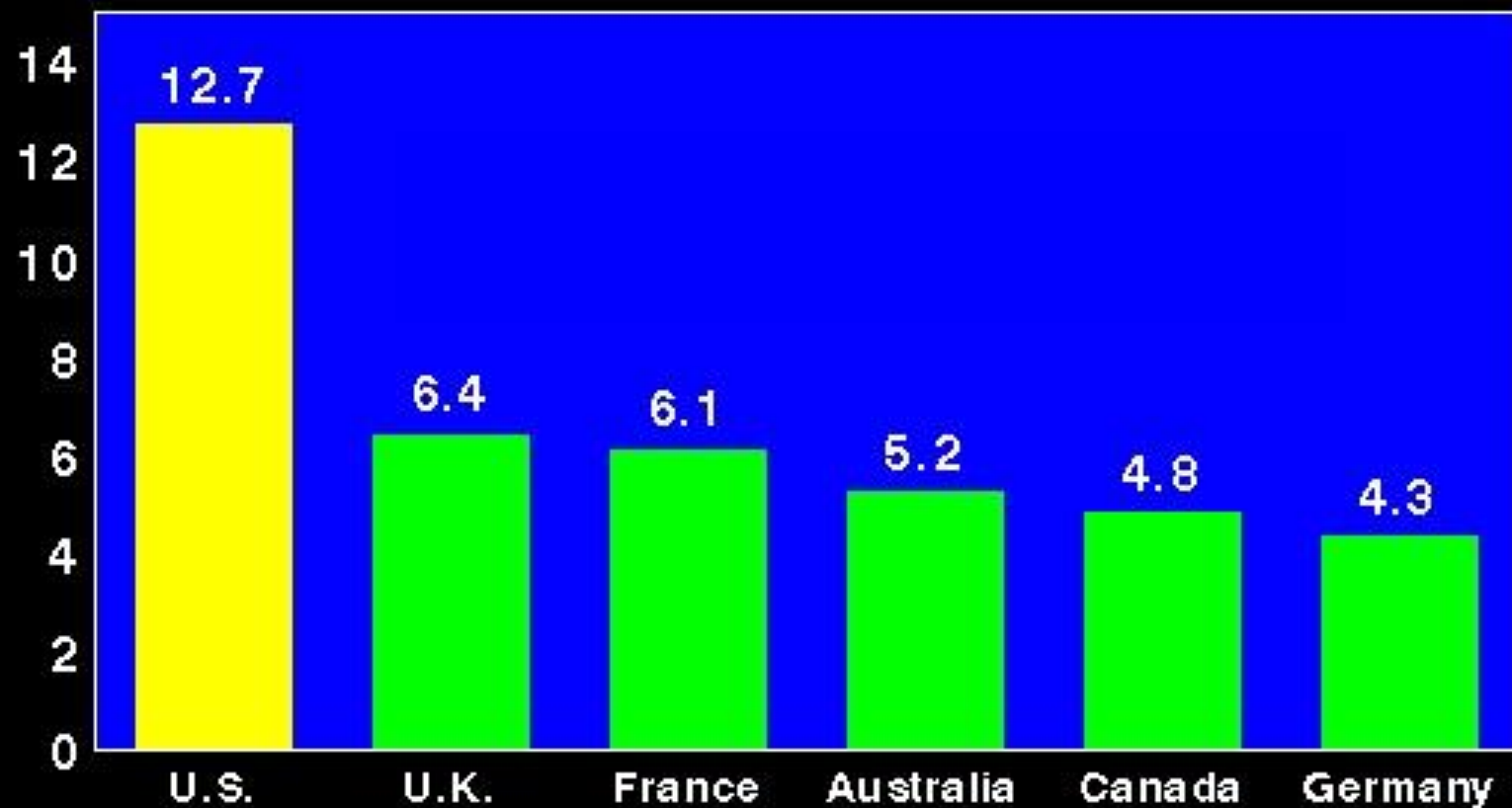


Source: OECD, 2015

Note: Data are for 2013 or most recent year available

Maternal Mortality

Deaths/100,000 Births

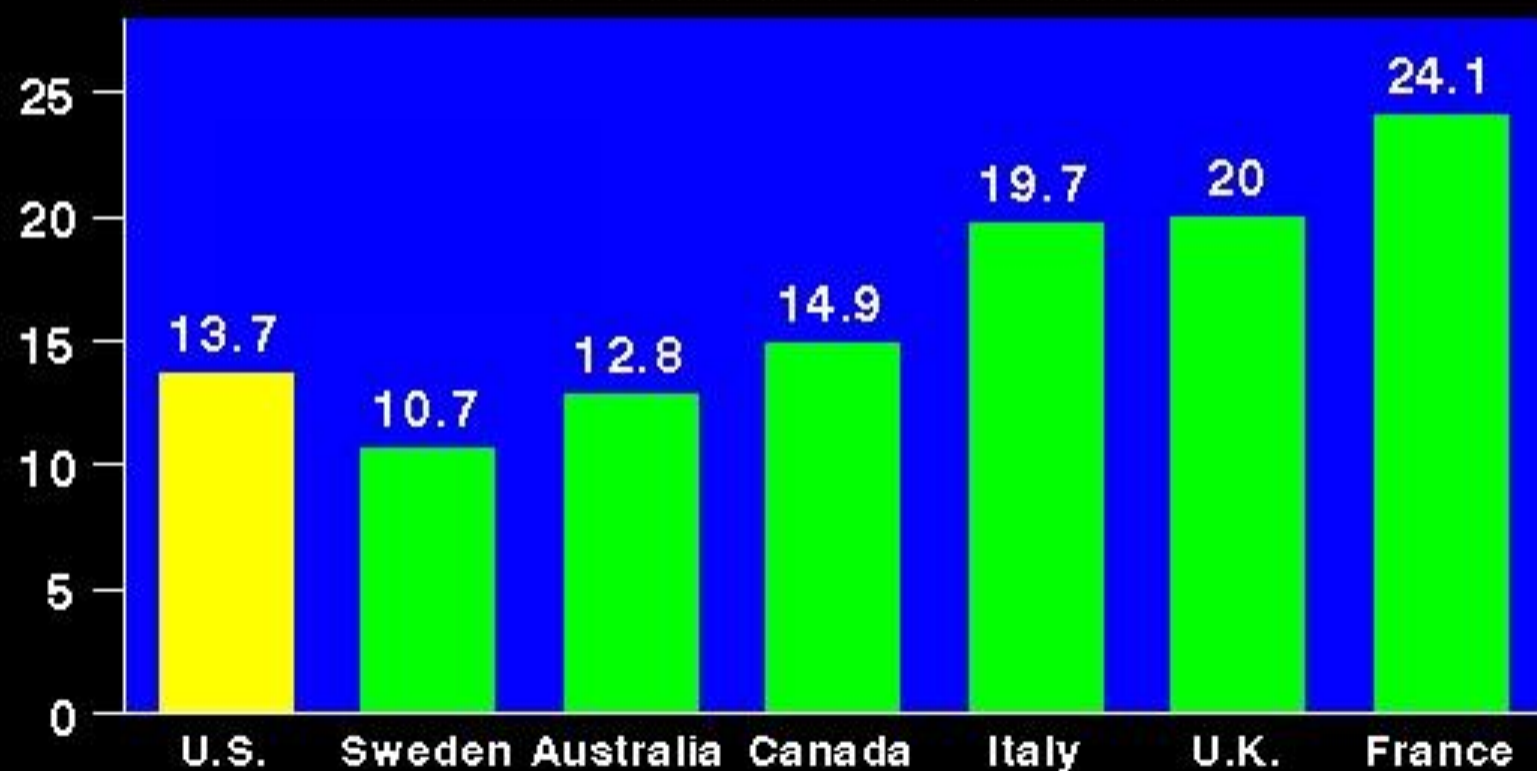


Source: OECD, 2015

Note: Data are for 2012 or most recent year available

Smoking Prevalence

% of population >15 who smoke daily

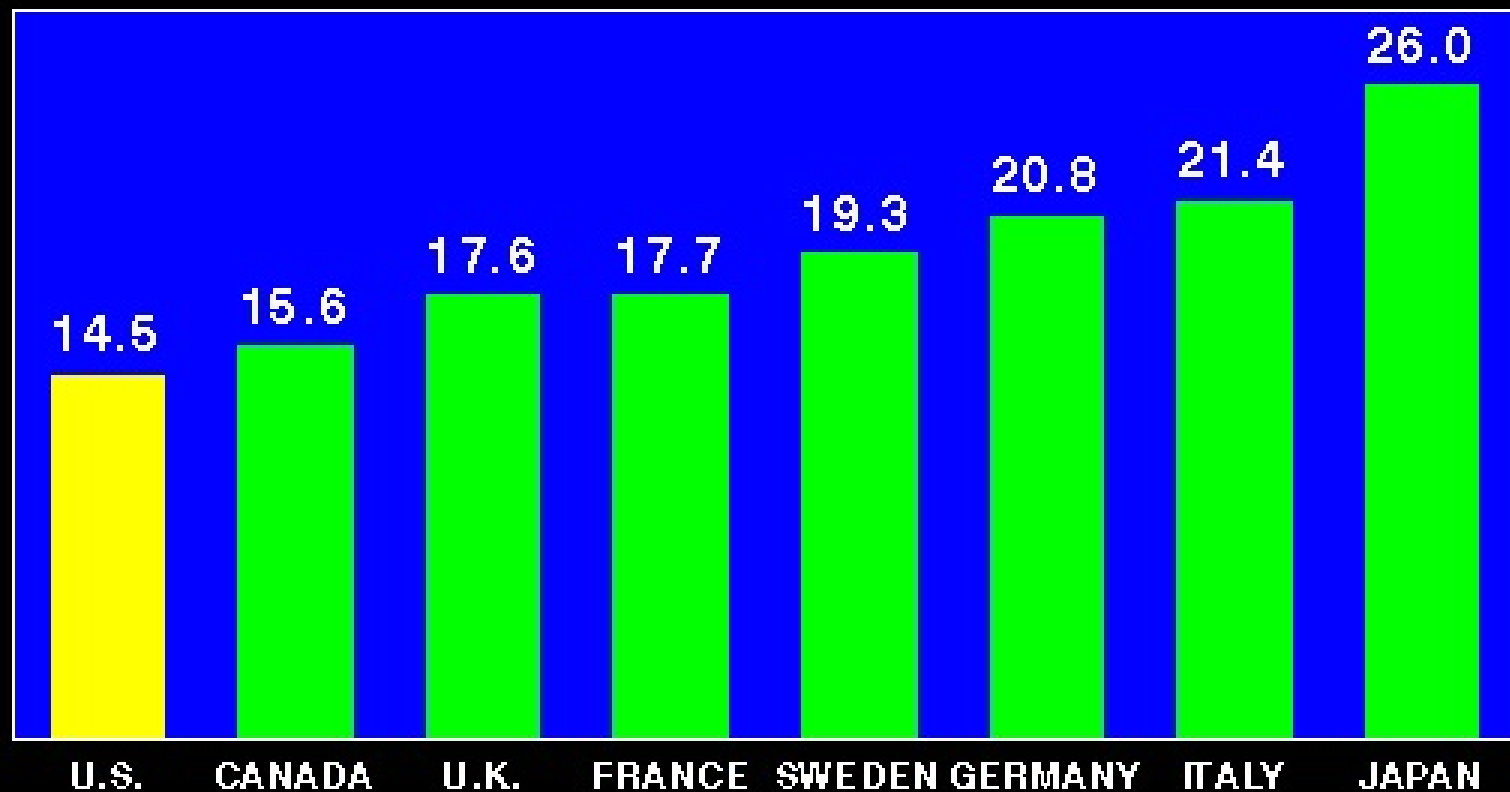


Source: OECD, 2015

Note: Data are for 2013, or most recent year available

Percent Elderly

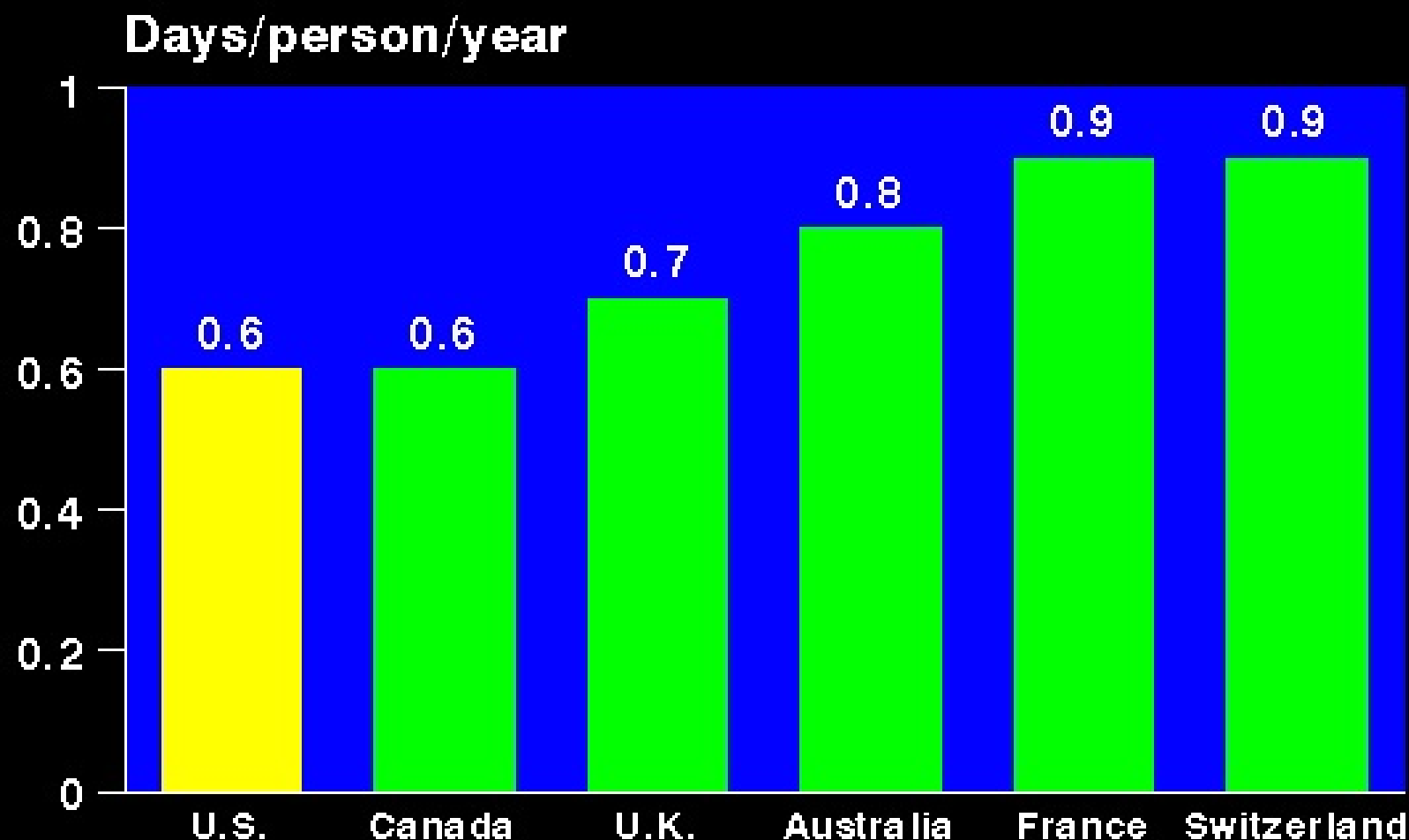
% of Population > 64



Source: OECD, 2015

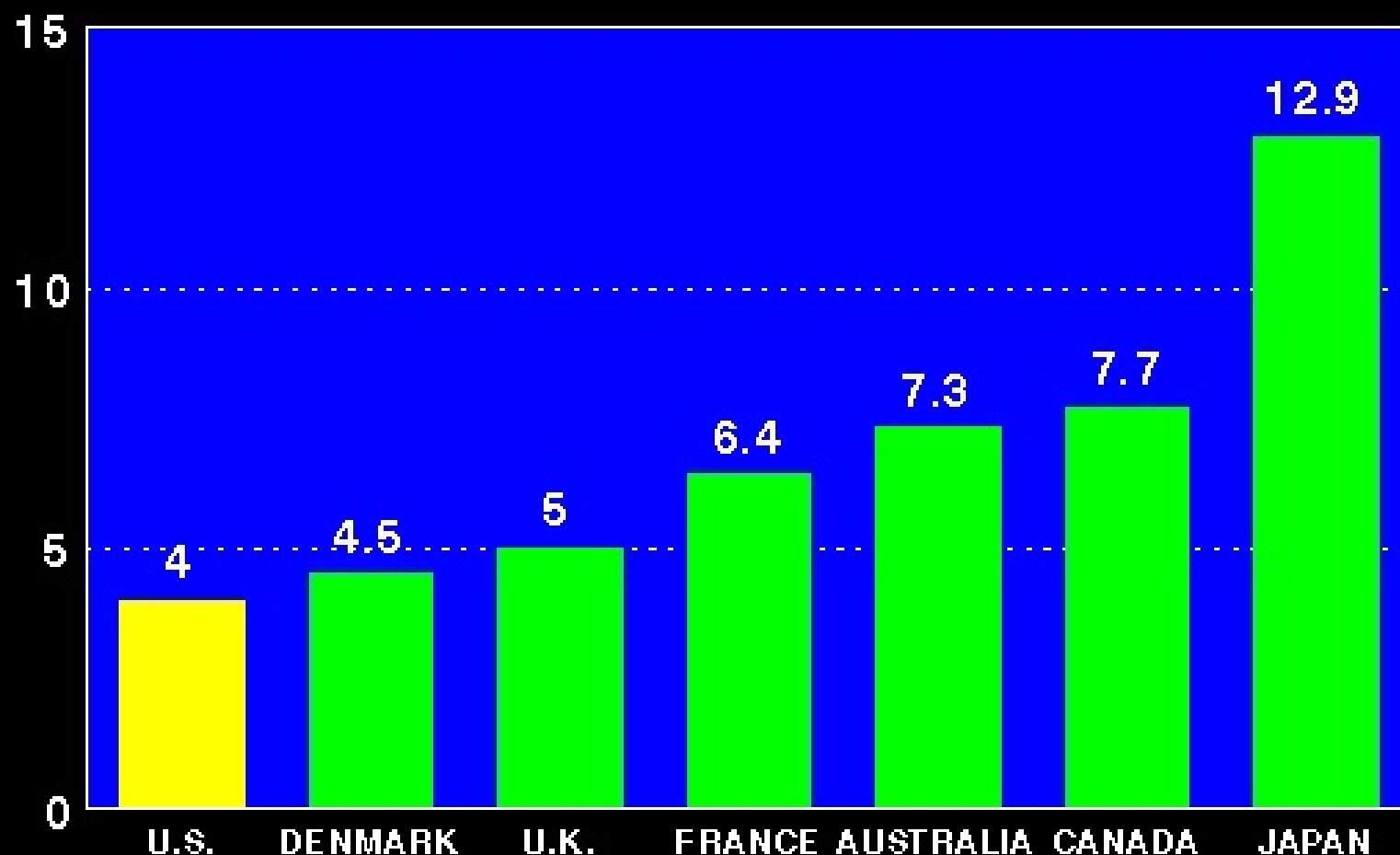
Note: Data are for 2014 or most recent year available

Hospital Inpatient Days Per Capita



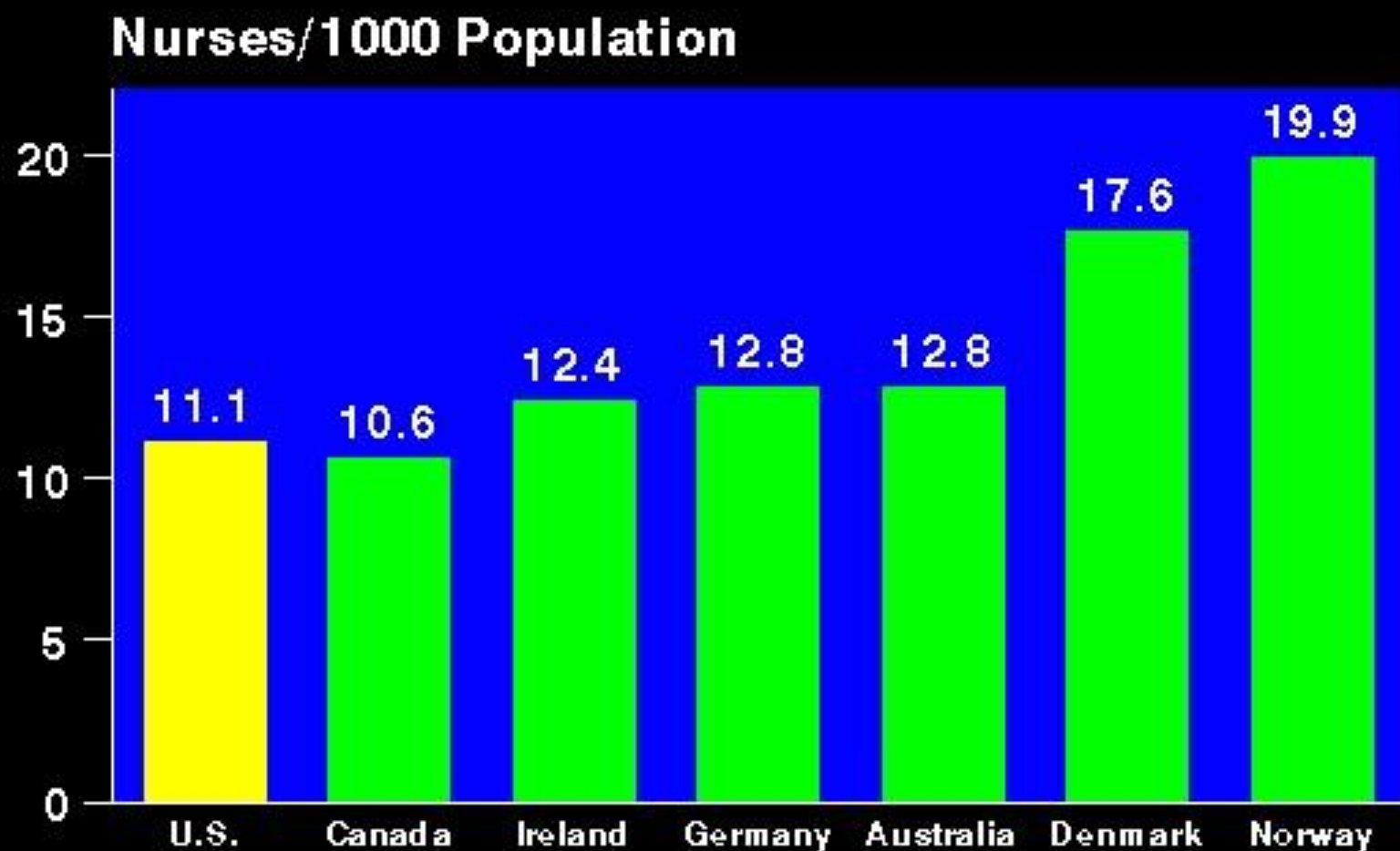
Source: OECD, 2015 - Note: Figures are for 2012 or most recent available

Physician Visits Per Capita



Source: OECD, 2015 - Data are for 2013 or most recent available year

Number of Nurses Per 1000 Population

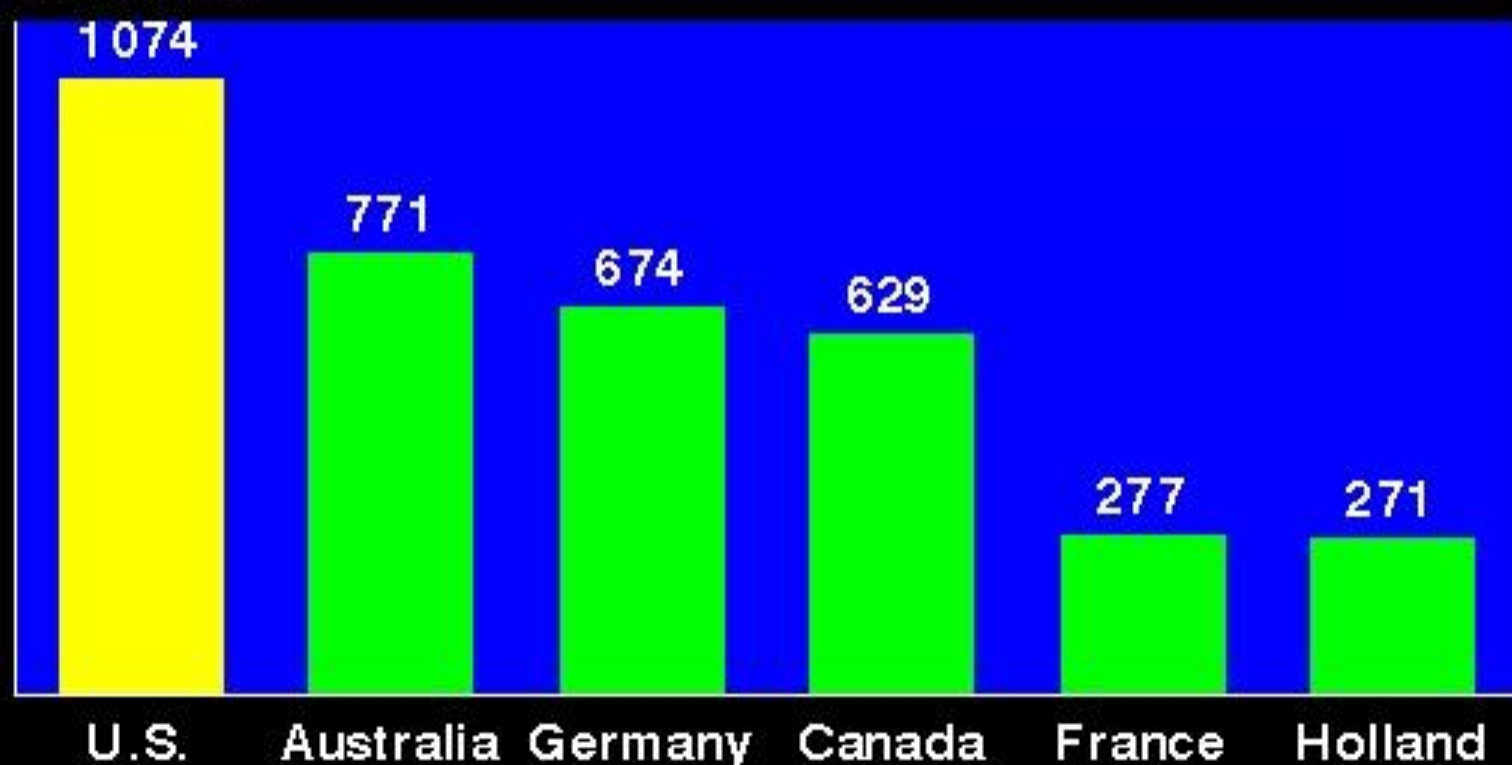


Source: OECD, 2015

Note: Data are for "professionally active nurses" for 2013 or most recent year available

Out-Of-Pocket Payments

\$/Capita

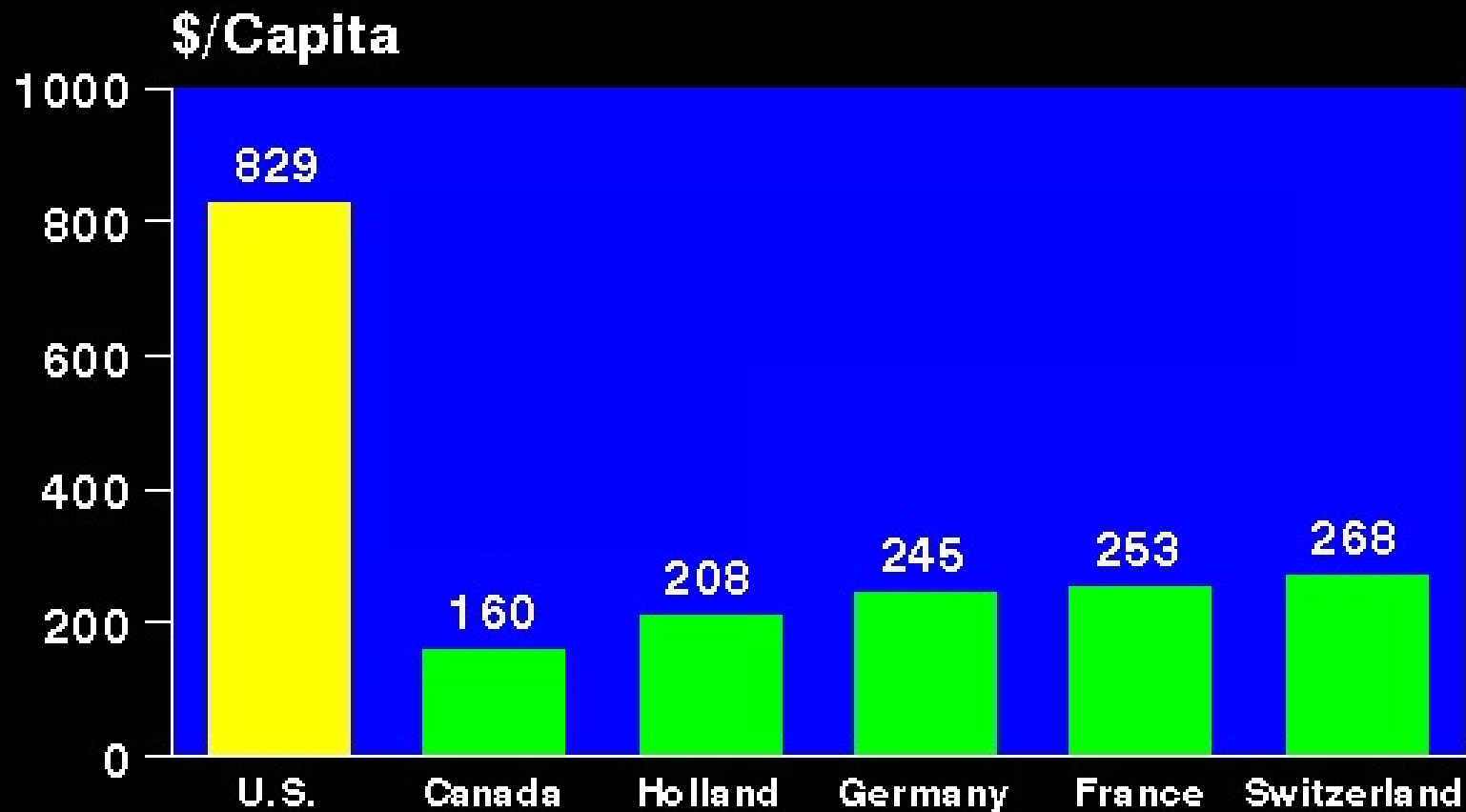


Source: OECD, 2015

Note: Data are for 2013 or most recent year available

Note: Figures adjusted for Purchasing Power Parity

Insurance Overhead

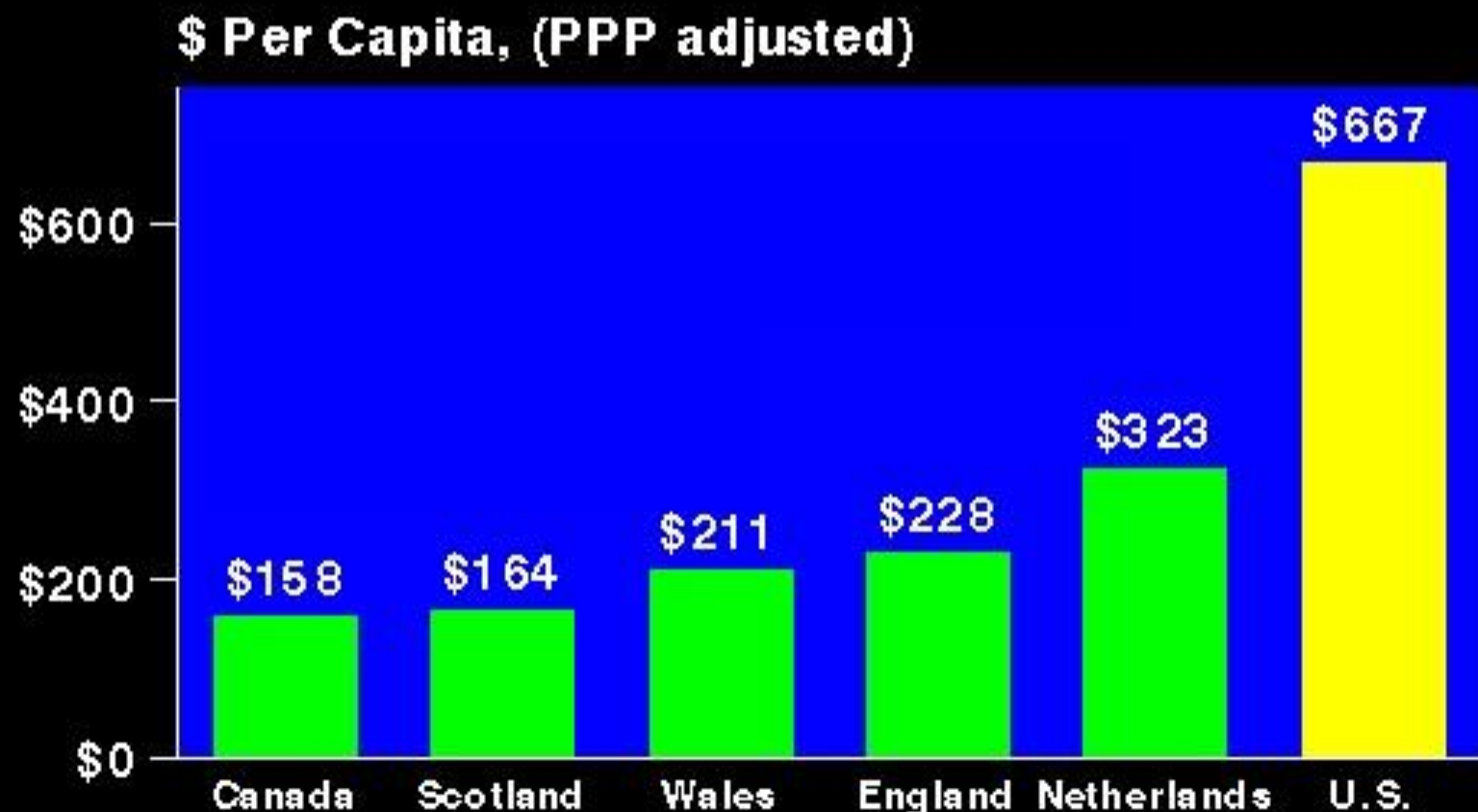


Source: OECD, 2015; NCHS; CIHI

Note: Figures adjusted for Purchasing Power Parity; data are for 2015 or most recent available

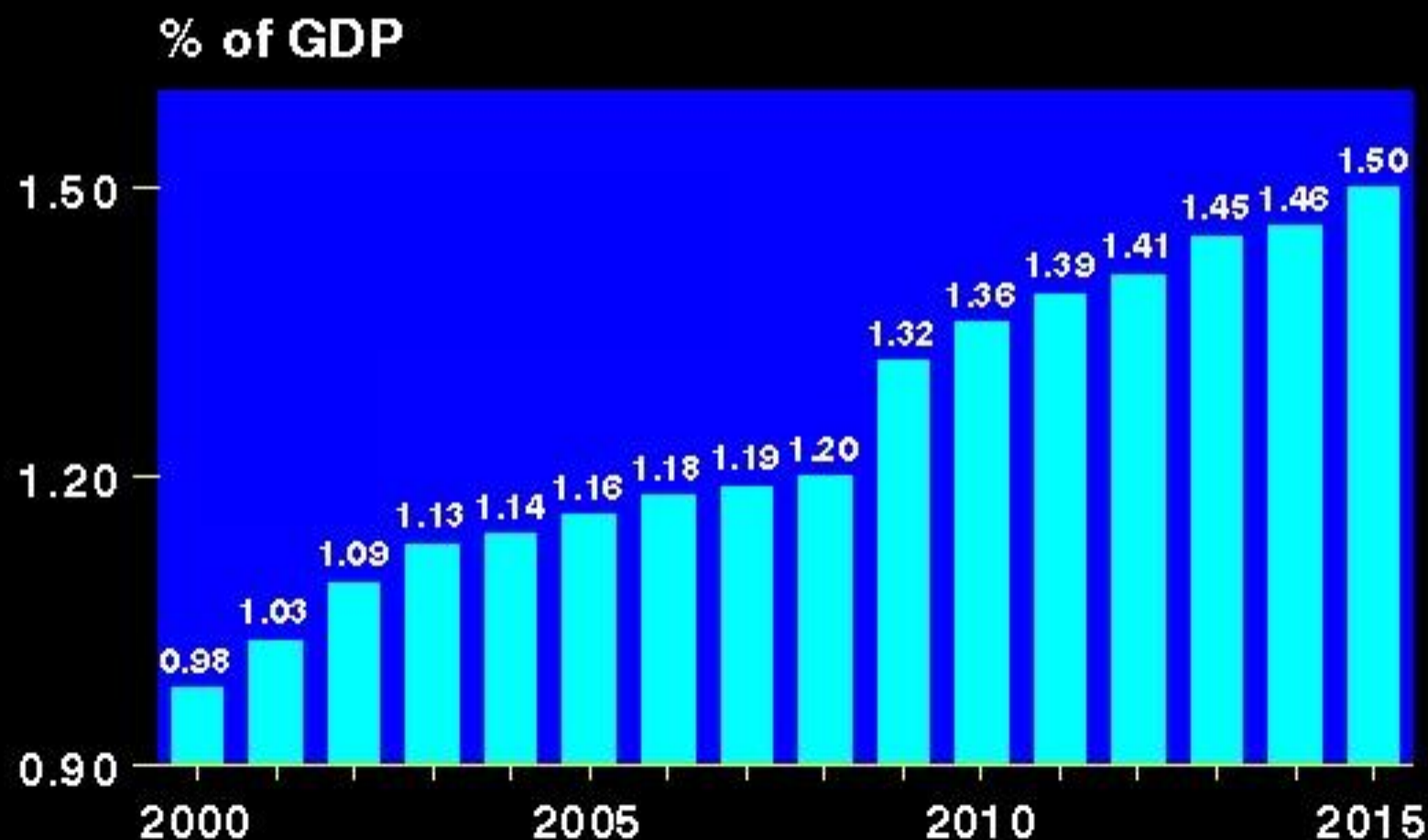
Hospital Administration Costs Per Capita, 2010/2011

Includes Central and Clinical-Unit Administrative Costs



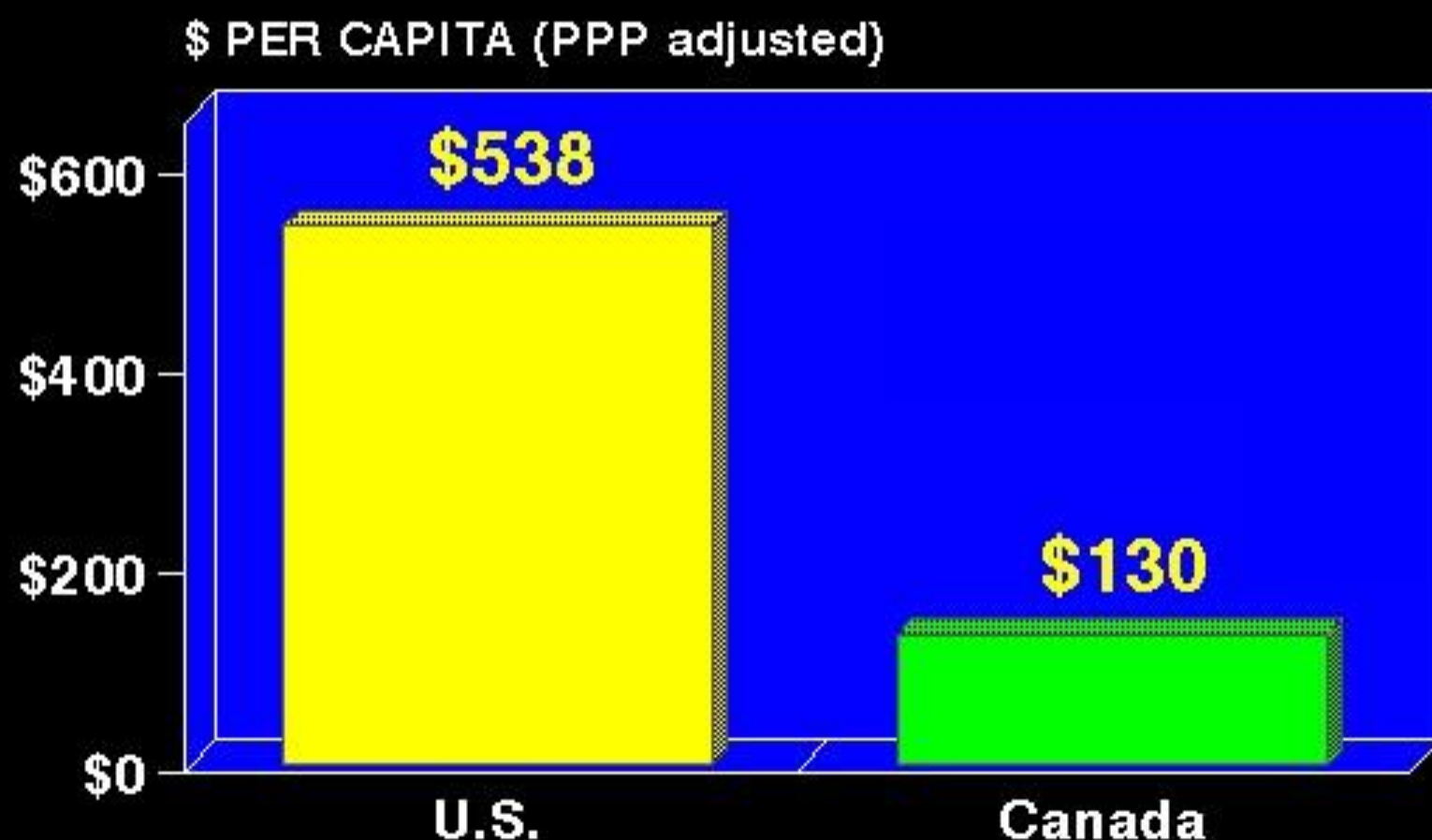
Source: Himmelstein, Jun, Busse, Chevreul, Geissler, Jeurissen, Thomson, Vinet & Woolhandler
Health Affairs September, 2014

U.S. Hospital Administration Costs as Percent of GDP, 2000-2015



Source: Himmelstein et al. Health Aff 9/2014 Updated

Physicians' Billing & Office Expenses United States & Canada, 2015



Source: Woolhandler/Campbell/Himmelstein NEJM 2003;349:768 (updated)

Note: Excludes dentists and other non-physician, office-based practitioners

Canadian Physicians' Incomes, 2010/2011

Family Medicine	\$265,881
Int. Medicine	\$361,551
Pediatrics	\$270,073
Psychiatry	\$214,702
Dermatology	\$398,410
Ob/GYN	\$449,121
General Surg.	\$411,995
Thoracic Surg.	\$529,728
Ophthalmology	\$573,258
All Physicians	\$307,482

Source: Canadian Institute for Health Information



Affordable Care Act



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Patient Protection and Affordable Care Act

From Wikipedia, the free encyclopedia

The **Patient Protection and Affordable Care Act (PPACA)**, commonly called the **Affordable Care Act (ACA)** or colloquially **Obamacare**, is a United States [federal statute](#) signed into law by [President Barack Obama](#) on March 23, 2010. Together with the [Health Care and Education Reconciliation Act](#) amendment, it represents the most significant regulatory overhaul of the [U.S. healthcare system](#) since the passage of [Medicare](#) and [Medicaid](#) in 1965.

The ACA was enacted to increase the quality and affordability of [health insurance](#), lower the [uninsured rate](#) by expanding [public](#) and [private](#) insurance coverage, and reduce the costs of healthcare for individuals and the government. It introduced mechanisms like mandates, [subsidies](#), and [insurance exchanges](#).^{[1][2]} The law requires insurance companies to [cover all applicants](#) within new minimum standards and [offer the same rates](#) regardless of [pre-existing conditions](#) or sex.^[3] In 2011 the [Congressional Budget Office](#) projected that the ACA would lower both future deficits^[4] and Medicare spending.^[5]

Health Insurance Reform Under the ACA

10 essential benefits, but no standard benefit package

(Outpatient, ED care, inpatient care, perinatal, Mental health/substance, prescription meds, rehab, lab tests, preventive services, pediatric care including dental/vision)

Eliminates co-pays and deductibles, but only on preventive services

Limits insurers' overhead to 15-20%, but lobbying has weakened enforcement

No regulation of premiums, deductibles and co-pays

Out-of-pocket caps

Impact on the Uninsured

- Reduction of uninsured from 46 million to 33 million between 2010 and 2014
- Expansion of Medicaid (14 million), despite 19 states opting NOT to expand their Medicaid programs under ACA
- Individual coverage purchased through exchanges (4.1 million)
- Reduction of uninsured children from 7.5 Million to 4.8 million between 2009-2014

Source: U.S. Census Bureau, 6/16/2015

Impact on The Under-insured

- 31 million Americans are still underinsured
- 44% of the underinsured went without a doctor's visit, medical test, or prescription due to cost
- 51% had problems paying medical bills or were paying off medical debt over time

Note: Underinsurance defined as having out-of-pocket costs over 10 percent of household income, or having a deductible over 5 percent of household income.

Source: Collins et al., "The problem of underinsurance and how rising deductibles will make it worse," Commonwealth Fund, 5/20/15

Impact on Medical Bankruptcy

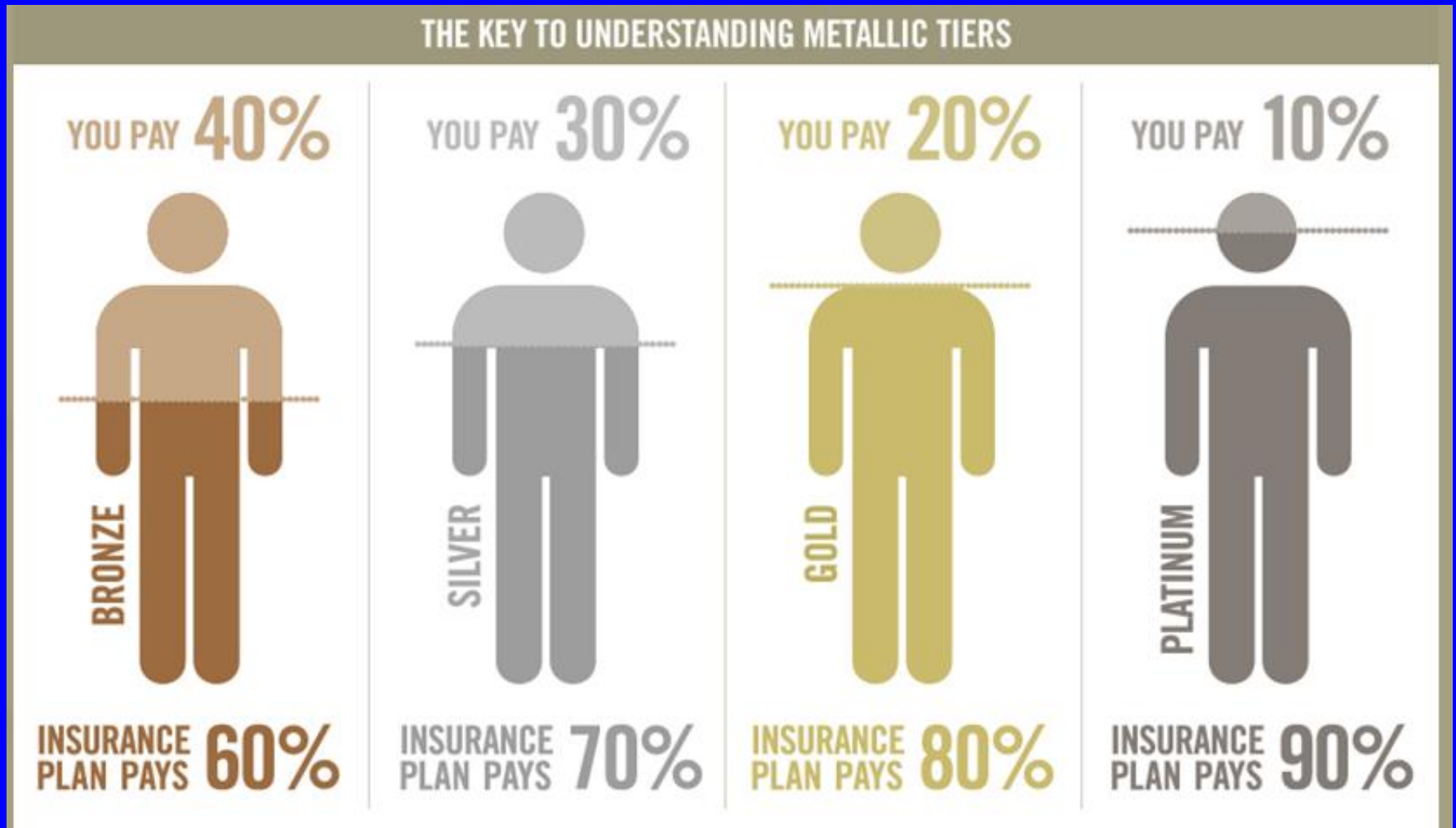
- **No change for 75% of medically bankruptcy filers who have insurance.**
- **Medical bankruptcies in MA have gone up not down since their mandate model was passed and implemented.**

Proposed Cost Control Provisions

- Insurance exchanges
- Health information technology
- Comparative effectiveness research
- Fraud and abuse prosecution/recovery
- Alternatives to F-F-S (experiments)
- Coverage of preventive services
- Tax on “Cadillac” coverage
- Malpractice reform (experiments)
- Medicare advisory board

Proven Cost Control Provisions

ACA Makes Underinsurance the Norm (Average Employer Plan Paid 87%)

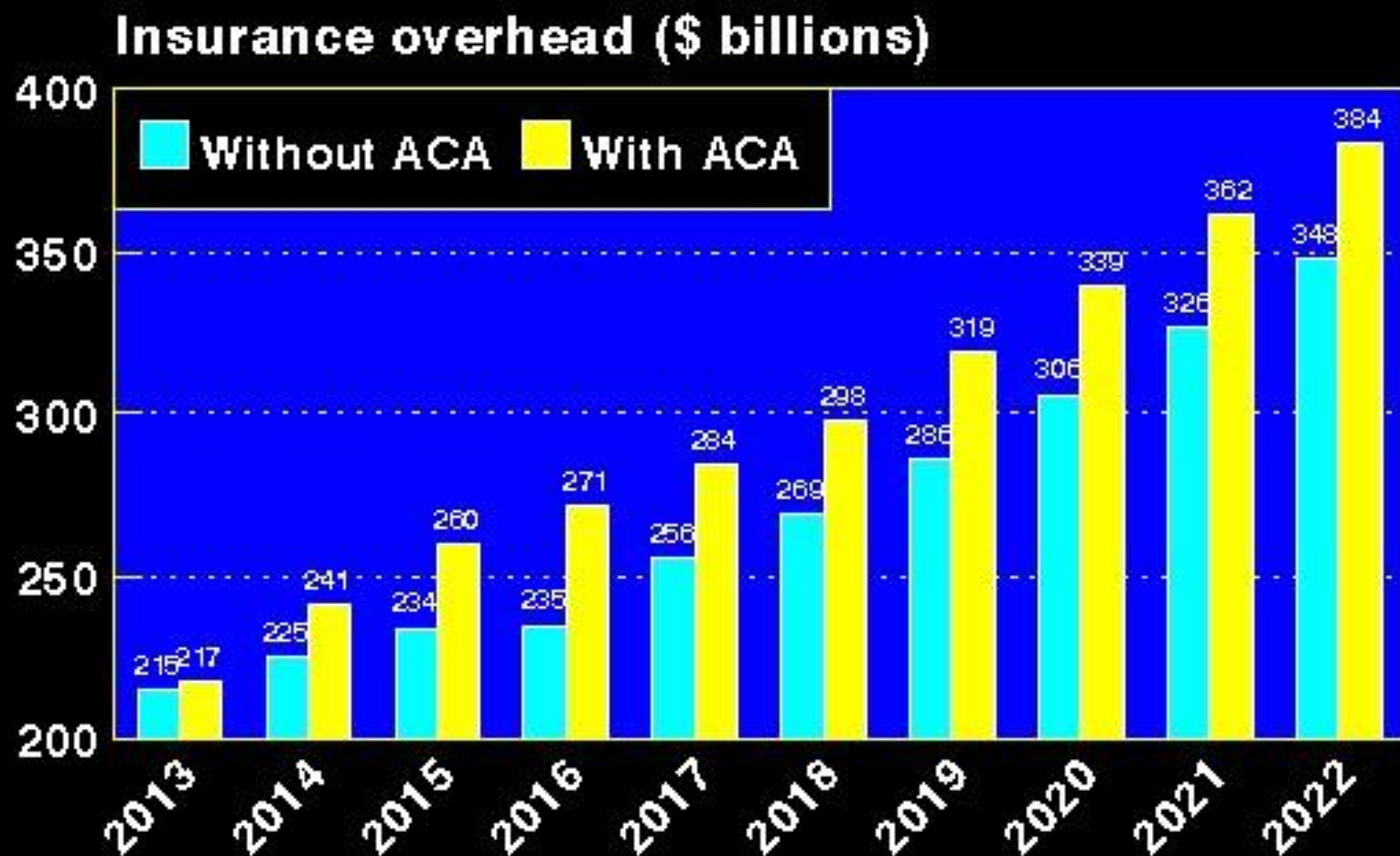


Graphic from: <http://www.whatmattersbywellmark.com/premiums.php>

NY State Cheapest Bronze Plan (Family)

- Premium: \$10,539
- \$6,000 deductible
- 50% coinsurance *after* deductible for:
 - Ambulance, ED, Urgent Care
 - Imaging & diagnostic tests
 - Outpatient visits
 - Chemotherapy
 - Inpatient
- Out-of-pocket maximum: \$12,700 for a family *with income-based adjustments ...*

ACA Will Increase Insurance Overhead by \$266 Billion Over 10 Years



Source: Himmelstein & Woolhandler analysis of data from CMS Office of the Actuary

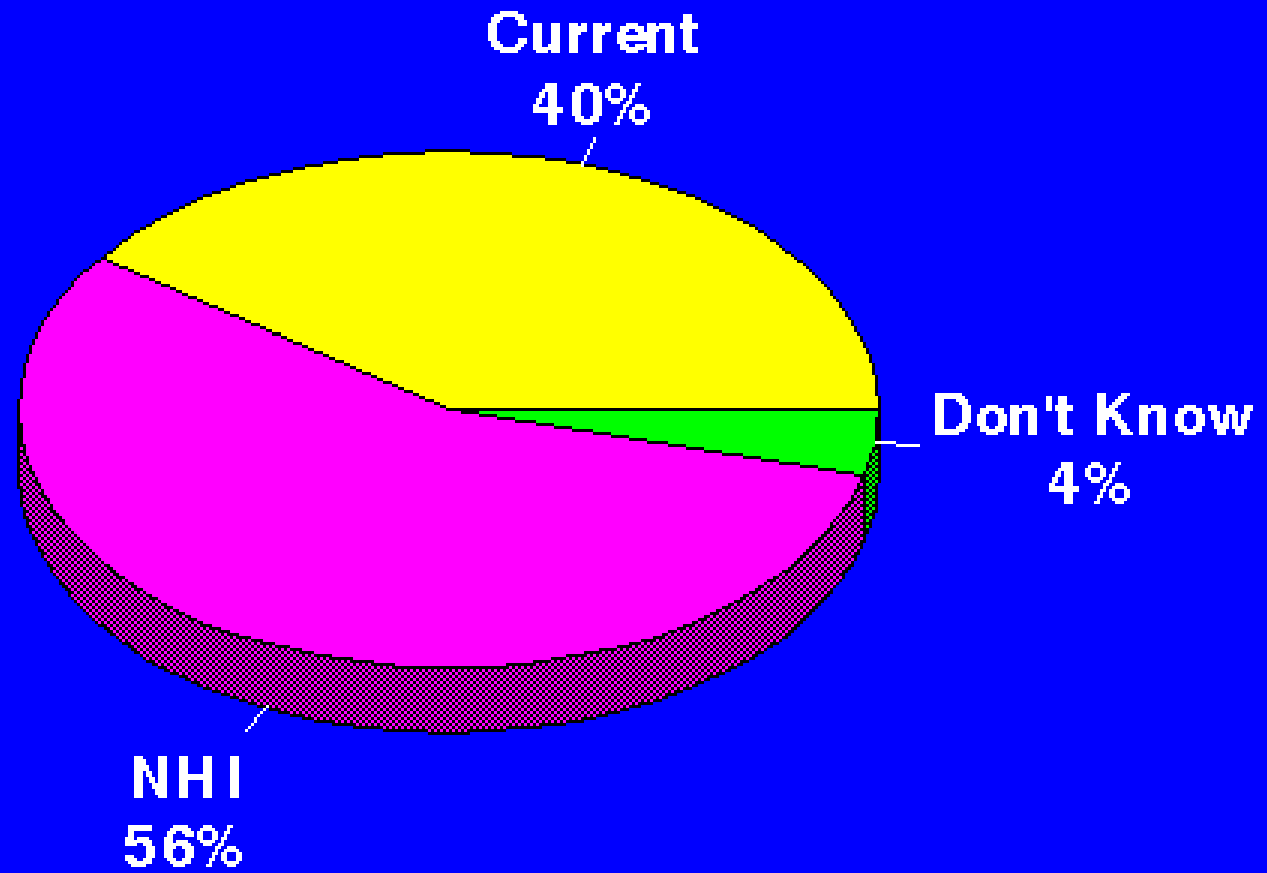
Summary of ACA

- Increased reliance on private insurance companies
- Expansion of Medicaid, but not to all states
- Fewer uninsured, but still 27 M uninsured and 31 M underinsured
- Still unaffordable to Millions
- Increased bureaucracy, paperwork, and administrative overhead
- Increased rather than decreased cost

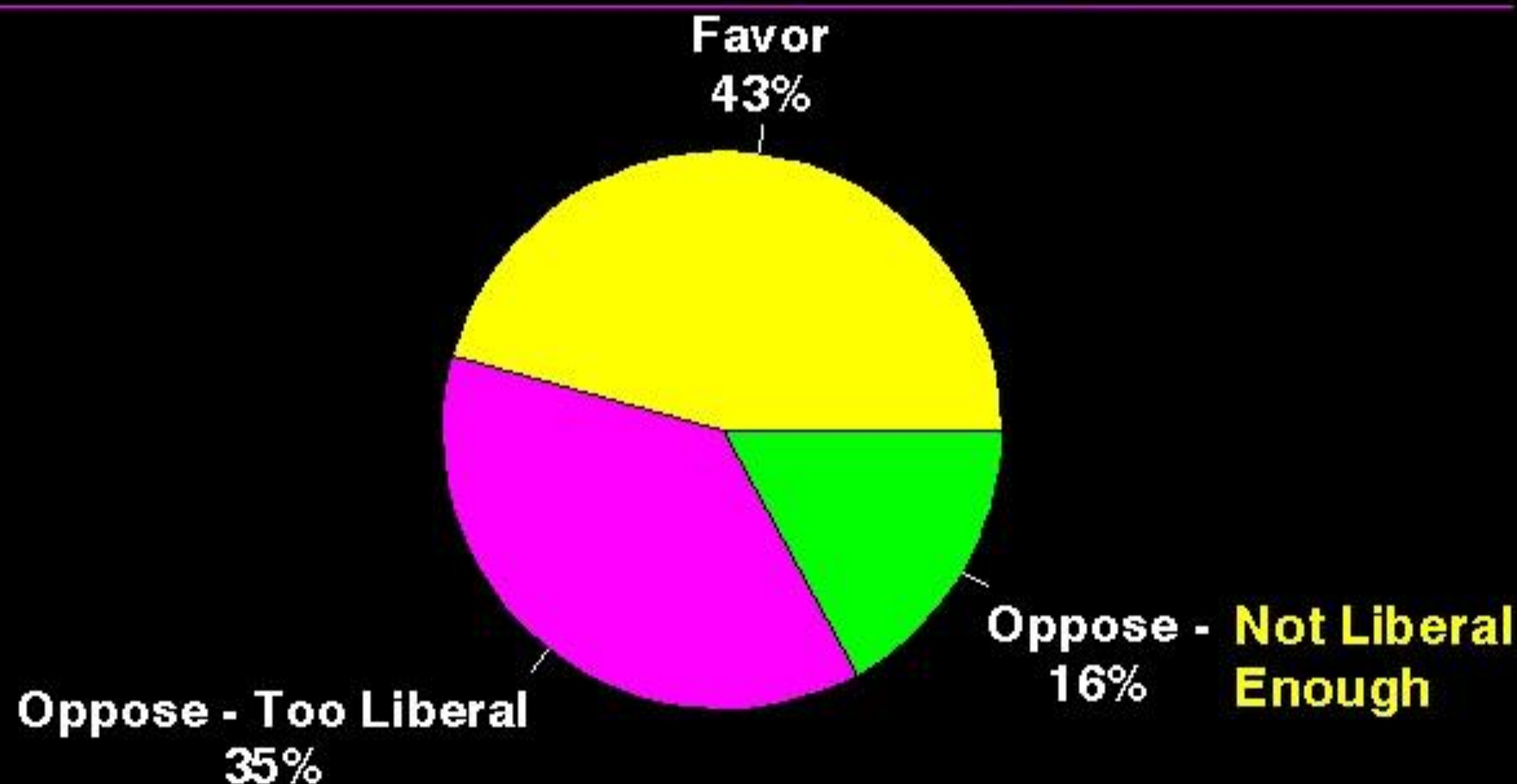


Public opinion

**"Would you prefer the current health insurance system . . .
or a universal coverage program like Medicare
that is government-run and financed by taxpayers?"**

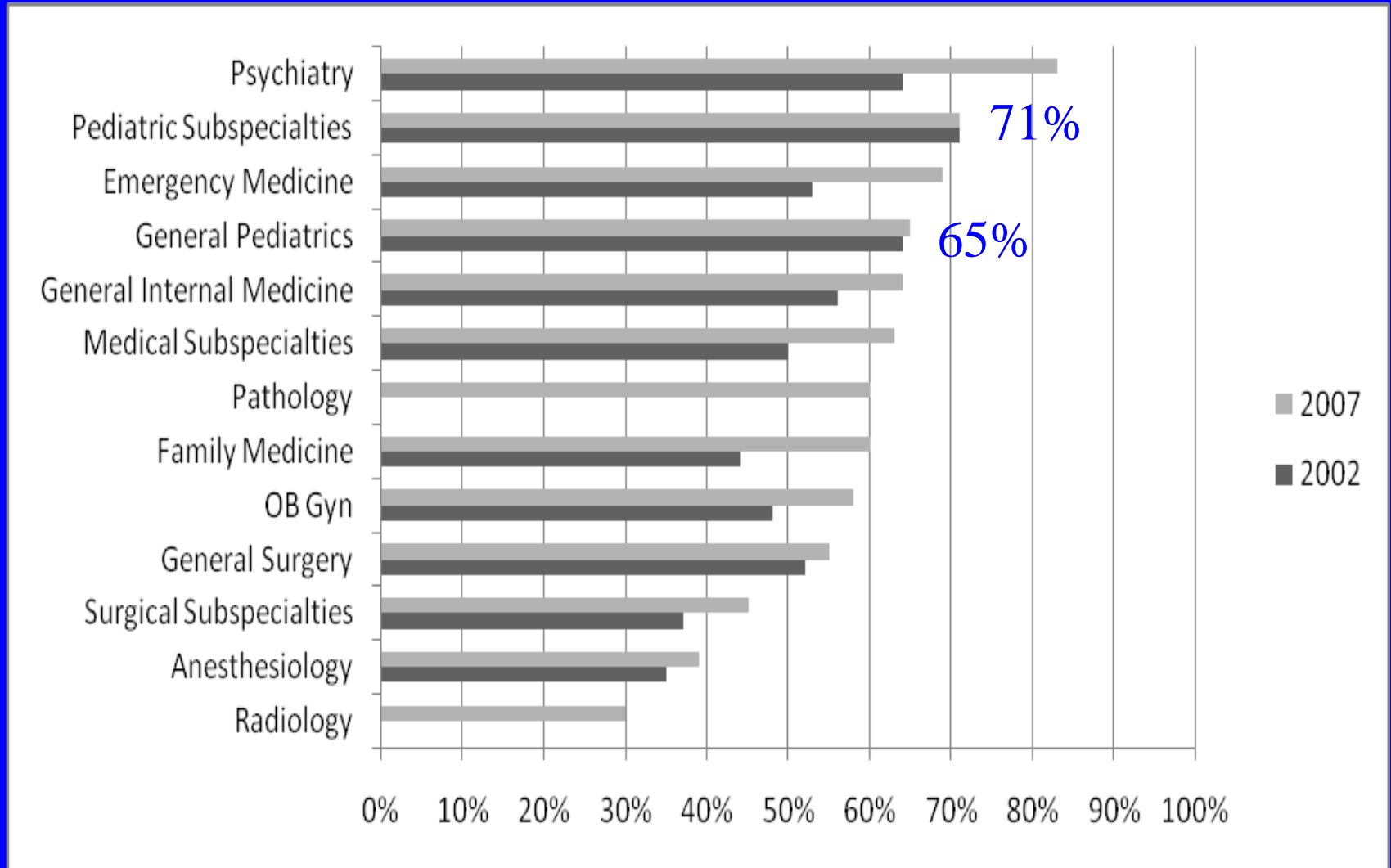


Many Who Oppose ObamaCare Prefer Single Payer



Source: New York Times based on CNN/ORC Poll May 17-18, 2013
Figures don't add to 100% because some had "no opinion"

Support for Governmental Legislation to Establish NHI, 2007 and 2002 by Specialty





Single Payer

A National Health

Program for the U.S.

The 4 principles of single payer:

- Access to comprehensive health care is a human right.
- The right to choose and change one's physician is fundamental to patient autonomy.
- No corporate profit and personal fortune.
- In a democracy, the public should set overall health policies.

Single Payer NHI guarantees:

- Comprehensive Care
- Quality
- Choice
- Affordability

Single payer NHI includes:

- Automatic enrollment - everyone receives a card assuring payment for all needed care
- Free choice of doctor and hospital
- Doctors and hospitals remain independent, negotiate fees and budgets with public agency
- Public agency processes and pays bills
- Financed through progressive taxes
- Costs contained through capital planning, budgeting, quality reviews, primary care emphasis

Single payer NHI covers every American for all lifetime medically-necessary services:

- primary care and prevention, prescription drugs, long term care, mental health, substance abuse treatment, dental services, vision care, acute, rehabilitative, home care, occupational health care, durable and non-durable medical supplies, and public health measures

Prescription Drugs and Supplies

- NHI would pay for all medically necessary prescription drugs and medical supplies, based on a national formulary
- NHI would negotiate lower prices with the drug companies
- NHI would establish and regularly update the formulary
- NHI would provide all Americans with full coverage for necessary drugs and supplies

Payment for Physicians and Outpatient Care: 3 Options

- fee-for-service, or
- salaried positions in institutions receiving global budgets, or
- salaried positions within group practices or HMOs receiving capitation payments

Head to head: ACA vs. Single Payer

Single-Payer Bill, H.R 676

Affordable Care Act

Universal Coverage	Yes. Everyone is covered automatically at birth.	No. About 30 million will still be uninsured in 2022 and tens of millions will remain underinsured.
Full Range of Benefits	Yes. Coverage for all medically necessary services.	No. Insurers continue to strip down policies and increase patients' co-payments and deductibles.
Savings	Yes. Redirects \$400 billion in administrative waste to care; no net increase in health spending.	No. Increases health spending by about \$1.1 trillion over 10 years. Adds further layers of administrative bloat to our health system through the introduction of state-based exchanges.
Cost Control/Sustainability	Yes. Large-scale cost controls (negotiated fee schedule with physicians, bulk purchasing of drugs, hospital budgeting, capital planning, etc.) ensure that benefits are sustainable over the long term.	No. Preserves a fragmented system incapable of controlling costs. Gains in coverage are erased by rising out-of-pocket expenses, bureaucratic waste and profiteering by private insurers and Big Pharma.
Choice of Doctor and Hospital	Yes. Patients will be allowed free choice of their doctor and hospital.	No. Insurance companies continue to deny and limit care and to maintain restrictive networks.
Progressive Financing	Yes. Premiums and out-of-pocket costs are replaced with progressive income and wealth taxes. 95 percent of Americans will pay less for care than they do now.	No. Continues the unfair financing of health care whereby costs are disproportionately paid by middle- and lower-income Americans and those families facing acute or chronic illness.

Expanded and Improved Medicare for All Act

Single payer is much more than a concept.

It's an actual bill in Congress, based on the *Proposal of the Physicians' Working Group for Single-Payer National Health Insurance* published in JAMA, August 13, 2003—Vol 290, No. 6

House Resolution 676

5 sections and only 11 pages

<http://thomas.loc.gov>

How Do We Know It Can Be Done?

- Every other industrialized nation has a healthcare system that assures health care for all
- All spend less than we do; most spend less than half
- Most have lower death rates, more accountability, and higher satisfaction
- No country has ever adopted single payer, found it to be worse, and switched back

www.pnhp.org
<http://student.pnhp.org/>

Maryland Single Payer Activists:
Harvey Fernbach
Margaret Flowers
Richard Bruno