

“Medicare-for-All” Cure for Health Woes Single-Payer System is Best Reform Approach

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The data and evidence are clear: To a scientific certainty, only a single-payer "Medicare-for-All" system of health care financing will solve the serious cost and access problems and achieve good, affordable health care for all in the United States. As a scientist and physician, this is my conclusion after studying the data for years. The data are voluminous, stretching back to World War II, and come not only from the United States, but from all other industrialized countries. Except for the United States, all industrialized countries have some form of universal health care.

Americans are increasingly afraid that they can't afford to get sick, and with good reason. About half of all personal bankruptcies are caused by medical expenses, and 76 percent of these individuals had health insurance when they got sick or injured. Those of us with insurance are paying a greater share of the premium and more deductibles and co-pays as well. Thus, not only do we have 46 million Americans without health insurance, but at least an equal number who are seriously underinsured. With the recent economic downturn, the ranks of those who are uninsured and underinsured are growing. Many are faced with choosing between paying for medicine and needed health care and paying for food and housing. A typical story is: get sick or injured, lose your job, lose your health insurance, go bankrupt. A majority of physicians (59 percent) and an even higher proportion of Americans (at least 62 percent) support single payer national health insurance or "Medicare-for-All". In spite of this, virtually all we are hearing about today are mandate plans that would require everyone to buy the same private for-profit insurance that is already failing us. The for-profit insurance companies and their plethora of plans make for a terribly complex, fragmented, costly and inefficient system. Administrative overhead consumes about 31 percent of health care dollars in the United States, and the for-profit insurance companies are responsible for half of this, or 15 percent of \$2.4 trillion. This money, more than \$350 billion per year,

provides no health care: it is consumed by enormous administrative costs, profits for investors and shareholders, and large salaries for managers of these for-profit insurance companies.

All of the incremental reform programs proposed - tax subsidies, health savings accounts, individual or employer mandates, increased regulation of for-profit insurance companies - keep these proverbial foxes in the henhouse and are doomed to fail to control costs and provide universal access. Competition among the foxes does not benefit the chickens, the patients, the doctors or the hospitals. The for-profit insurance companies fundamentally reduce choice - your preferred doctor or hospital is "out-of-network"? Too bad, we won't pay, says your insurance company.

The data are in. Incremental reforms, mostly mandate schemes which retain the for-profit insurance companies, have been tried in seven states over the past two decades: Massachusetts, Tennessee, Washington, Oregon, Minnesota, Vermont, Maine. In all of these states the reforms have failed to contain costs. In all but Massachusetts, they have failed to reduce the number of uninsured. In Massachusetts, there has been a modest decrease in the number of uninsured, falling from 13 percent of adults in 2006 to 7.1 percent of adults in 2007, but at the cost of a substantial increase in public spending (spending for "Commonwealth Care" was \$629.8 million in fiscal year 2007, \$1089.2 million in fiscal year 2008 and \$1317.7 million in fiscal year 2009). Most of the gain in Massachusetts has come from expanding Medicaid and subsidizing the purchase of private insurance; very few people have signed up for the unsubsidized private insurance. Not to mention that 7.1 percent uninsured is unacceptably high. Far from controlling costs, these mandate plans will add hundreds of billions of dollars to the nation's health care costs.

The United States spends about twice as much per capita on health care as other industrialized countries. Yet it is a myth that the United States has the best health care in the world. The United States ranks near the bottom of industrialized countries in terms of important morbidity and mortality outcomes (for example, life expectancy and infant and maternal mortality).

About 18,000 American adults die unnecessarily every year due to lack of insurance (Institute of Medicine, 2002). As reported in the Archives of Internal Medicine in 2003, repair of an aortic aneurysm cost \$8,647 in Canada and \$13,432 in the U.S.

What accounted for the substantial difference? Most of the difference was due to much greater overhead costs in the U.S. The surgeons and surgical facilities are top-notch in Canada. The surgeons are very well paid. The difference is that Canada has adopted a true insurance system for financing health care, one that spreads risk across a broad population: a publicly funded single-payer national health insurance plan that eliminates the parasitic, investor-owned "insurance" companies that make profits by enrolling the healthy, screening out the sick and denying claims.

Single-payer national health insurance for financing health care is NOT "socialized medicine." Under a single-payer, "Medicare-for-All" system, delivery of health care remains private. The providers of health care remain private. Patients choose any doctor and any hospital.

Parenthetically, replacing the wasteful for-profit insurance companies with a single-payer national health insurance program for financing health care in the United States would save enough money (more than \$350 billion) to not only achieve universal coverage, but allow the coverage to expand and be more comprehensive.

We have an American system that works. It's Medicare. It's not perfect, but Americans with Medicare are far happier than those with for-profit insurance. Doctors face fewer hassles in getting paid, and Medicare has been a leader in keeping costs down. And keep in mind that Medicare insures people with the greatest health care needs: people over 65 and the disabled. We should improve and expand Medicare to cover everyone. In contrast to the for-profit insurance companies, Medicare has a very low overhead - about 3 percent.

Unfortunately, the for-profit insurance companies have been infiltrating Medicare in the form of "Medicare Advantage" plans, substantially raising costs when compared to traditional Medicare.

A single-payer "Medicare-for-All" system is embodied in a bill currently in the U.S. House of Representatives, H.R. 676, sponsored by U.S. Rep. John Conyers, D-Mich., and cosponsored by 93 other members of Congress. Its features are: automatic enrollment for everyone; comprehensive services covering all medically necessary care and drugs; free choice of doctor and hospital, who remain independent and negotiate their fees and budgets with a public or nonprofit agency; processing and payment of bills by a public or nonprofit agency; promotion of job growth and the entire U.S. economy by removing the excessive burden of health care costs from businesses; coverage for everyone without spending any more than we are now.

The growth in health care costs must be addressed if any proposal is to succeed. Single-payer offers real tools to contain costs: budgeting, especially for hospitals, planning of capital investments (to avoid wasteful duplication and concentration of expensive technology), and an emphasis on primary care and coordination of care. Mandate plans offer only false hopes: competition among for-profit insurance companies, computerization and chronic disease management. Competition among the shrinking number of for-profit insurance companies has already failed to contain costs and, in the absence of single-payer and reformed primary care (so that everyone has a primary care home), computerization and chronic disease management will raise costs, not lower them.

Business leaders are well on their way to understanding how the current system makes their businesses uncompetitive with businesses in industrialized countries that have cost-effective health care systems not based on profit.

Finally, the most important group is patients. We are all sometimes patients. All patients must rise up and remove the foxes from the henhouse.

Foxes are not evil, but their nature is such that they must not be allowed in the henhouse.