

SINGLE-PAYER UNIVERSAL HEALTH CARE

SCPD/ Physicians for a National Health Program/ Single-Payer Action Network Ohio

*** **THE PROBLEM:** 61 million Americans age 19-64 in 2004 had inadequate health insurance,¹ and 45.8 million of all Americans had no health insurance,² including 1.25 million.³ Despite spending more per capita on health care than any other country, America was rated 37th in the world for quality of care by the World Health Organization. We are #41 in infant mortality. This is because so many of our citizens do not have access to adequate health care. Because our health insurance policy is employer-based, serious health problems often lead to loss of employment as well as one's health insurance, and can impoverish American families. Our businesses have difficulty competing in the world due to rapidly rising costs of health care, and have a strong impetus to outsource jobs to avoid these financial obligations. Something is deeply wrong with a nation, this prosperous, that cannot provide adequate health insurance to even half its citizens.

*** **THE SOLUTION:** **Single-payer Universal Health Care** (SP-UHC). It could be created as a well-funded extension of the existing Medicare program. We can get behind Representative John Conyers' bill for just such a plan, HR 676. This bill has more than sixty cosponsors as well as the backing of 15,000 physicians across the country. A grassroots group, **Physicians for National Health Program**, is supporting this effort. Even if we can't get the federal government to move on this issue at this time, we can at least push for such legislation in our own state. **SPAN Ohio** is an organization dedicated to bringing affordable health care to all Ohioans.

*** **RESISTANCE:** Opposition comes primarily from corporations that profit from the current system, which is designed to meet the needs of these corporations, not U.S. citizens. The insurance industry wants to protect their cut off the top, and demonstrated their desire by contributing \$49.4M⁴ to lawmakers in 2004. The pharmaceutical companies are desperate to avoid having to negotiate a fair price for their products; their political contributions added up to \$29.3M in 2002⁵. And the investment arm of the banking industry is salivating from anticipated huge profits from the proposed Health Savings Accounts (HSA), and the high interest rates on health care credit cards.

Winston Churchill: "The Americans will always do the right thing . . . after they've exhausted all the alternatives."

These corporations and other interests have floated a number of myths about SP-UHC intended to turn people away from the idea. Let's debunk some those myths:

*** **Myth #1: It would be too expensive**

Universal Health Care would actually cost less! Because of inherent inefficiencies in our current system, we presently experience unnecessary overhead costs of \$286B (yup, that's a "B there")⁶. That translates to \$11.6B annually here in Ohio. We could afford universal

coverage primarily by avoiding the extraordinary overhead costs of the health insurance industry, which averages 31% compared to just 2% for Medicare⁷. The Congressional Budget Office estimated that SP-UHC would save up to \$14B annually, even when we eliminate deductibles and copays, cover all drug costs, and cover the cost of preventive medicine.

**** Myth #2: It would require a huge, inefficient bureaucracy**

What we have right now is a huge and inefficient bureaucracy! And it's designed to avoid actually providing care. Much of the health care dollar currently goes for advertising, useless paperwork, insurance company profits, and for the obscene salaries of some of the industry executives. (The CEO for UnitedHealth Group's total compensation in 2001 was a staggering \$412M!⁸ How does that curl your toes?⁹) The current system employs time-consuming and expensive methods to micro-manage your physician, and intervene in the care you receive. Such manipulations are very expensive for providers and patients both in time and frustration. Medicare does none of this, and is by far the simplest system to use.

**** Myth #3: Americans don't want government involved in health care**

But Americans say they DO want government involved in health care! By a margin of 2 to 1, according to an ABC / *Washington Post* nationwide poll in 2003, Americans say they want their health care run by the government and financed with taxpayers' money. By a margin of 4 to 1, Americans say they prefer to raise taxes to provide Universal Health Care, rather than leave some citizens with no coverage at all.

**** Myth #4: Government involvement in health care will mean greater rationing**

We have rationing now! The business of health insurance companies is to maximize profits, accomplished primarily by restricting services covered. Not having any insurance is the most severe example of rationing. On the other hand, our national health care program for seniors, Medicare, offers no such inducements for limiting care.

**** Myth #5: It would restrict patient choice**

HMO/PPO's now restrict choice. Medicare does not. Unlike the managed care plans, there is no restriction of which physician or health care facility a patient may use under Medicare. With HMO's, chronically ill patients often have very little choice of which provider they can see. In most states, patients on Medicaid are restricted to a single plan with a constricted list of providers. The costs of copays and deductibles also contribute to limiting patient choices. 40% of Americans in a recent survey reported that they didn't get a prescription filled because of cost. A third failed to see a doctor when sick or to get recommended tests or treatment, again because of costs. Some patients, because of the severity of their illness, find they can get no insurance, and therefore often can find no health care. It is estimated that 18,000 Americans die per year because of lack of health care.¹⁰

**** Myth #6: Universal Health Care would impede economic growth**

Universal Health Care would in fact encourage economic growth. SP-UHC would be a tremendous boost to private business, already caught in the trap of having to decide how much, if any, health insurance they are willing to provide their employees. Companies doing international business often complain that they are at a disadvantage in the world market because we currently expect them to provide the funding for health care in America (GM estimates that \$1500 of every car it makes goes to maintaining health benefits for its workers). Many companies today intentionally hire part-time workers in an effort to avoid such obligations. This is also one of the primary motivations of international American companies to outsource jobs. Employees likewise are sometimes trapped in a dissatisfying job because of fear of losing their health insurance. Presently 46% of personal bankruptcies are due to uncovered catastrophic health costs.¹¹ SP-UHC would provide an unconditional guarantee of coverage, allowing an employee to make career changes as best fits their needs and desires, and free our businesses from the yoke of costly health care. Should Ohio enact such a program, we expect it to be an attractant for businesses.

*** **MYTH #7: Health Savings Accounts is a better way to solve the health care problem**

“Consumer-directed health care,” as propounded by President Bush, is a fancy sounding term for employers getting their employees to pay the bulk of their health care costs. HSA’s are financially advantaged to only those that can afford to fund their HSA account, thus leaving out the primary advantage of this plan for the average salaried worker. Typical plans obligate the employee to pay \$2,000-\$20,000 in deductibles before getting coverage. This has been shown to be a real road block for the average wage earner getting needed care, particularly preventive medicine such as prenatal care, well child visits, immunizations, etc. This ultimately leads to higher costs because of the cost of diseases that could have been prevented.

“But there are tax credits to help the uninsured buy coverage”- the proposals for HSA’s now suggest \$3,000 of tax credit for low income families; but typical family plans cost on average \$10,000. HSA does nothing to address the unreasonable overhead costs associated with our current system, and instead would greatly increase the cost of doing business. It has been estimated that about \$1B in additional costs would be seen for account management fees, transaction fees, and other costs.¹² The providers (hospitals, nursing homes and doctors) would see a sharp increase in their costs because of having to deal with the inherent increased complexity of HSA’s.

*** **AND THE MAIN REASON FOR PROVISION OF A SINGLE-PAYER NATIONAL HEALTH CARE PLAN: WE CAN’T AFFORD NOT TO!**

1. Schoen, C. *et. al.*, Health Affairs, 10:1377
2. U.S. Census Bureau
3. Family Surveys, Nov. 2003
4. Public Campaign 2004
5. Federal Election Commission 2003
6. Inter J. of Health Services as reported in Public Citizen 1/14/04
7. Woolhandler, S, *et. al.*, NEnglJMed 2003, 349:768-775
8. “Health Pay for Health Plan Executives, Families USA, June 2001
9. Up tight and out of sight!
10. Care Without Coverage: Too Little, Too Late (2002), p.162
11. www.spanohio.org
12. Modern Healthcare, Jan. 15, 2006:16

Single-payer, Universal Healthcare Plan

HR 676

This bill introduced by John Conyers would extend Medicare-like health care to all Americans, with no co-pays or deductibles. It would provide full benefits, even for preventive medicine, such as prenatal care, well-child visits, immunizations, *etc.*

It's a non-profit system. It saves a tremendous amount of money by sharply reducing bureaucratic costs. It would be funded by a 6.6% Payroll tax, a progressive tax on the wealthy, and a small tax on stocks and bonds.

Physicians for a National Health Program (PNHP) is one of the primary grassroots organizations supporting this bill. They are planning actions and teach-ins across the country on June 7, 2006 (just like the bill: '6-7-6'). There is a film available for groups: "Single Payer and What It Will Take to Get There." For questions about single-payer universal health care, contact Larry Kalb of Progressive Democrats of America at healthcare@pdamerica.org, or go to PNHP at www.healthcare-now.org or by phone 312-782-6007. If you want to participate in the teach-in, contact Sherry at sherry@pdamerica.org.

They are initiating a rapid letter writing brigade to respond to the anticipated negative propaganda by the insurance and pharmaceutical industries and neo-conservative groups. Those wishing to participate can contact Marilyn at info@healthcare-now.org or by phone 212-475-8350.

UNIVERSAL HEALTH CARE FOR ALL OHIOANS

Single-Payer Action Network Ohio is a stateside organization of individuals and progressive groups seeking health care reform in our state and country so that every resident is guaranteed full and comprehensive health care coverage. They are focusing on winning voter approval of the Health Care for All Ohioans Act through an initiative petition.

They can be reached www.spanohio.org or by voicemail 216-736-4766.