Universal Healthcare: Affordable Care Act Versus Improved Medicare-For-All

Nick Anton, MD
Goals

• Briefly review the current state of American healthcare
• Review the Affordable Care Act (ACA)
• Review Improved Medicare-For-All (Single-payer)
• Plenty of time for discussion at the end, so please bear with us…
The Case of GM

• 56 yo male with a year of rectal bleeding
• Kept avoiding coming to the doctor due to lack of insurance
• Finally convinced to get colonoscopy through Operation Access after 1 year of symptoms- large adenocarcinoma found
• After diagnosis has had to wait 4 weeks for workup, trying to secure finances
44,798 Adult Deaths Annually Due to Uninsurance

<table>
<thead>
<tr>
<th>State</th>
<th>% Uninsured</th>
<th>Excess Deaths</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>23.9</td>
<td>5,302</td>
</tr>
<tr>
<td>Texas</td>
<td>29.7</td>
<td>4,675</td>
</tr>
<tr>
<td>Florida</td>
<td>26.0</td>
<td>3,925</td>
</tr>
<tr>
<td>New York</td>
<td>17.5</td>
<td>2,254</td>
</tr>
<tr>
<td>Georgia</td>
<td>23.6</td>
<td>1,841</td>
</tr>
<tr>
<td><strong>U.S.</strong></td>
<td><strong>15.3%</strong></td>
<td><strong>44,798</strong></td>
</tr>
</tbody>
</table>

Number of Uninsured Americans
1976-2011

Source: Himmelstein, Woolhandler & Carasquillo - Tabulation from CPS & NHIS Data
Who are the Uninsured?

- FULL-TIME WORKER 66.5%
- PART-TIME WORKER 14%
- NON-WORKER 19.5%

Of the 50.7 million, over 20 million are fully employed and 70% of all uninsured are from families with one or more full-time workers.

Increasing Un- and Under-Insurance

2003

65% Insured
26% Uninsured
9% Under-Insured

2010

56% Insured
28% Uninsured
16% Under-Insured

Source: Commonwealth Fund, September 8, 2011
Most of the Medically Bankrupt Had Coverage

Insurance at Illness Onset

Private: 60%
Uninsured: 22%
Medicaid: 10%
Medicare: 5%
VA/Military: 2%

“Of all the forms of inequality, injustice in health care is the most shocking and inhumane.”
Global Health

• Always assumed the USA measured up to the rest of the world with healthcare- #1, #1, #1!

• How do other countries compare to us with regard to health?

• Last WHO rankings put the US 37th, behind the likes of Costa Rica, Chile, Morocco, and Saudi Arabia
We Don’t Live as Long...

Life expectancy at birth has increased by more than 10 years in OECD countries since 1960, reflecting a sharp decrease in mortality rates at all ages.

Infant Mortality
Deaths in First Year of Life/1000 Live Births

Source: OECD, 2012
Note: Data are for 2010 or most recent year available
Maternal Mortality
Deaths/100,000 Births

Source: OECD, 2011
Note: Data are for 2009 or most recent year available
How do other countries do it?

3 Basic Models:

- **Socialized** - UK, Spain, Sweden, New Zealand, Hong Kong, Cuba, VA and IHS
  - Hospitals and clinics owned by government
- Non-profit insurance companies funded through taxes - Germany, France, Belgium, Netherlands, Japan, and Switzerland
  - Tightly regulated
- **Single-payer** - Canada, Taiwan, South Korea
  - Private hospitals and clinics, no health insurance companies
Peculiar exception of USA

- Work-based insurance left over from WWII
- Private for-profit insurance companies (and some hospitals)
U.S. PUBLIC Spending Per Capita for Health is Greater than TOTAL Spending in Other Nations

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<td>Japan</td>
<td>$3040</td>
<td></td>
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<td>U.K.</td>
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<td>Sweden</td>
<td>$3760</td>
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<td></td>
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</table>

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

Source: OECD 2012; Health Aff 2002; 21(4):88 - Data are for 2010
Total Health Expenditures as a percentage of GDP

- Australia
- Austria
- Belgium
- Canada
- Denmark
- Finland
- France
- Germany
- Iceland
- Ireland
- Italy
- Japan
- Luxembourg
- Netherlands
- Norway
- Sweden
- Switzerland
- United Kingdom
- United States

[Bar chart showing percentages for each country, with the United States having the highest at 16%]

Source: Statistics Canada, Canadian Inst. for Health Info., & NCHS/Commerce Dept
Physician Visits Per Capita

Source: OECD, 2012 - Data are for 2010 or most recent available year
Trillion Dollar Question…

- Why does healthcare cost so much in the USA, especially with below average results?
## Health Industry Profits, 2010

<table>
<thead>
<tr>
<th>Sector</th>
<th>Profits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceuticals</td>
<td>$39.2 bil</td>
</tr>
<tr>
<td>Insurers</td>
<td>$12.9 bil</td>
</tr>
<tr>
<td>Equipment/Supplies</td>
<td>$7.0 bil</td>
</tr>
<tr>
<td>Hospitals/Nursing Homes</td>
<td>$3.0 bil</td>
</tr>
<tr>
<td>Distributors/Wholesalers</td>
<td>$3.0 bil</td>
</tr>
</tbody>
</table>

*Source: Fortune - May, 2011*
Drug Company Profits, 1995-2008

Return on Revenues (%)

Source: Fortune 500 rankings for 1995-2008

Total drug company profits, 2008 = $51.6 billion
## HMO CEOs' Pay, 2011

<table>
<thead>
<tr>
<th>Executive</th>
<th>Firm</th>
<th>Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>David Cordani</td>
<td>Cigna</td>
<td>$19.1 mil</td>
</tr>
<tr>
<td>Steve Hemsley</td>
<td>United</td>
<td>$13.4 mil</td>
</tr>
<tr>
<td>Angela Braly</td>
<td>Wellpoint</td>
<td>$13.3 mil</td>
</tr>
<tr>
<td>Allen Wise</td>
<td>Coventry</td>
<td>$13.0 mil</td>
</tr>
<tr>
<td>Mark Bertolini</td>
<td>Aetna</td>
<td>$10.6 mil</td>
</tr>
<tr>
<td>Michael McCallister</td>
<td>Humana</td>
<td>$7.3 mil</td>
</tr>
</tbody>
</table>

Source: AFL/CIO CEO Pay database
<table>
<thead>
<tr>
<th>Company</th>
<th>2010 Profits (first nine months)</th>
<th>2009 Profits (first nine months)</th>
<th>Change in Profits (first nine months)</th>
<th>Percent Change in Profits</th>
</tr>
</thead>
<tbody>
<tr>
<td>UnitedHealthcare</td>
<td>$3.59 billion</td>
<td>$2.88 billion</td>
<td>+$713 million</td>
<td>+24.8%</td>
</tr>
<tr>
<td>WellPoint</td>
<td>$2.34 billion</td>
<td>$2.00 billion</td>
<td>+334 million</td>
<td>+16.7%</td>
</tr>
<tr>
<td>Aetna</td>
<td>$1.55 billion</td>
<td>$1.11 billion</td>
<td>+441 million</td>
<td>+39.7%</td>
</tr>
<tr>
<td>Humana</td>
<td>$992 million</td>
<td>$789 million</td>
<td>+203 million</td>
<td>+25.7%</td>
</tr>
<tr>
<td>Coventry</td>
<td>$288 million</td>
<td>$133 million</td>
<td>+155 million</td>
<td>+116.4%</td>
</tr>
<tr>
<td>AmeriGroup</td>
<td>$194 million</td>
<td>$109 million</td>
<td>+84.6 million</td>
<td>+77.5%</td>
</tr>
<tr>
<td>HealthSpring</td>
<td>$143 million</td>
<td>$94.8 million</td>
<td>+48.6 million</td>
<td>+51.3%</td>
</tr>
<tr>
<td>HealthNet</td>
<td>$124 million</td>
<td>-$3.8 million</td>
<td>+127.6 million</td>
<td>---</td>
</tr>
<tr>
<td>Centene</td>
<td>$69.4 million</td>
<td>$60.0 million</td>
<td>+9.4 million</td>
<td>+15.7%</td>
</tr>
<tr>
<td>Molina</td>
<td>$37.3 million</td>
<td>$35.3 million</td>
<td>+2.0 million</td>
<td>+5.7%</td>
</tr>
</tbody>
</table>

Sources: Third quarter earnings reports for UnitedHealth Group, Inc.; WellPoint, Inc.; Aetna, Inc.; Humana, Inc.; Coventry Health Care, Inc.; Amerigroup Corporation; HealthSpring, Inc.; Health Net, Inc.; Centene Corporation; and Molina Healthcare, Inc.

Compiled by the Office of Congressman Pete Stark
Table 4. Health industry and pharmaceutical lobbying expenditures since 2000

<table>
<thead>
<tr>
<th>Year</th>
<th>Health sector total</th>
<th>Daily avg</th>
<th>% change per year</th>
<th>Pharmaceuticals &amp; Health Products</th>
<th>Daily avg</th>
<th>% change per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>$199,948,421</td>
<td>$546,307</td>
<td></td>
<td>$92,911,942</td>
<td>$253,858</td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>$223,598,463</td>
<td>$612,599</td>
<td>12 %</td>
<td>$101,147,974</td>
<td>$277,118</td>
<td>9 %</td>
</tr>
<tr>
<td>2002</td>
<td>$259,871,873</td>
<td>$711,978</td>
<td>16 %</td>
<td>$129,511,798</td>
<td>$354,827</td>
<td>28 %</td>
</tr>
<tr>
<td>2003</td>
<td>$277,530,278</td>
<td>$760,357</td>
<td>7 %</td>
<td>$126,240,535</td>
<td>$345,864</td>
<td>-3 %</td>
</tr>
<tr>
<td>2004</td>
<td>$304,999,105</td>
<td>$833,331</td>
<td>10 %</td>
<td>$141,234,078</td>
<td>$385,885</td>
<td>12 %</td>
</tr>
<tr>
<td>2005</td>
<td>$347,115,104</td>
<td>$951,000</td>
<td>14 %</td>
<td>$165,267,606</td>
<td>$452,788</td>
<td>17 %</td>
</tr>
<tr>
<td>2006</td>
<td>$377,957,856</td>
<td>$1,035,501</td>
<td>9 %</td>
<td>$182,471,050</td>
<td>$499,921</td>
<td>10 %</td>
</tr>
<tr>
<td>2007</td>
<td>$446,031,738</td>
<td>$1,222,005</td>
<td>18 %</td>
<td>$224,058,234</td>
<td>$613,858</td>
<td>23 %</td>
</tr>
<tr>
<td>2008</td>
<td>$484,249,321</td>
<td>$1,323,086</td>
<td>9 %</td>
<td>$234,510,408</td>
<td>$640,739</td>
<td>5 %</td>
</tr>
<tr>
<td>2009 (proj.)</td>
<td>$513,533,814</td>
<td>$1,406,942</td>
<td>6%</td>
<td>$271,594,574</td>
<td>$744,095</td>
<td>16 %</td>
</tr>
<tr>
<td>2009 Q1</td>
<td>$126,624,776</td>
<td>$1,406,942</td>
<td></td>
<td>$66,968,525</td>
<td>$744,095</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$3,047,926,935</td>
<td></td>
<td></td>
<td>$1,397,353,625</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total change '00 to '08</td>
<td></td>
<td>142 %</td>
<td></td>
<td>152 %</td>
<td></td>
<td></td>
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Data from Center for Responsive Politics.

The health sector’s $1.4 million/day lobbying effort in 2009 gives it the striking distinction of spending more than $2,600 per day per member of the House and Senate. Sobering numbers, indeed, for advocates on the opposite side of the health care reform debate.
Free Market?
$765 Billion Dollars in Health Care Waste

- Unnecessary Services: $210 B
- Inefficient Delivery of Care: $130 B
- Excessive Administrative Costs: $190 B
- Inflated Prices: $105 B
- Fraud: $75 B
- Prevention Failures: $55 B

Institute of Medicine 2012
U.S. Public Spending Per Capita for Health is Greater than Total Spending in Other Nations

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

Source: OECD 2012; Health Aff 2002; 21(4):88 - Data are for 2010
## Canadian Physicians' Incomes, 2009/2010

<table>
<thead>
<tr>
<th>Specialty</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Medicine</td>
<td>$248,716</td>
</tr>
<tr>
<td>Int. Medicine</td>
<td>$354,490</td>
</tr>
<tr>
<td>Pediatrics</td>
<td>$263,545</td>
</tr>
<tr>
<td>Psychiatry</td>
<td>$203,152</td>
</tr>
<tr>
<td>Dermatology</td>
<td>$391,686</td>
</tr>
<tr>
<td>Ob/GYN</td>
<td>$429,954</td>
</tr>
<tr>
<td>General Surg.</td>
<td>$404,847</td>
</tr>
<tr>
<td>Thoracic Surg.</td>
<td>$528,266</td>
</tr>
<tr>
<td>Ophthalmology</td>
<td>$551,666</td>
</tr>
<tr>
<td><strong>All Physicians</strong></td>
<td><strong>$293,472</strong></td>
</tr>
</tbody>
</table>

Source: Canadian Institute for Health Information
Affordable Care Act (ACA)

- Large, complex bill- 2801 pages
- Eliminates pre-existing conditions (but increased premiums allowed)
- No lifetime caps
- No recision
- Insured until age 26 on parents plans
Affordable Care Act (ACA)

- 36 million left uninsured
- Preserves for-profit private insurance companies
- States decide essential benefits
- Possible increased administration costs (Massachusetts)
- Safety net hospitals reimbursement weakened
- No real cost controls
Affordable Care Act (ACA)

- Loophole Example

- 56 yo male with $46,000 income
- Chooses “silver plan”
- Pays $5616 premium per year with $2000 deductible
- Pays 20% of next $15,000
- Yearly risk greater than $10,000

- If he made $45,000, then his yearly risk is $4361
The U.S. Health Care System

We tried every fix the insurance companies allow, but it still won't fly!
National Health Insurance

- Universal - covers everyone
- Comprehensive - all needed care, no co-pays
- Single, public payer - simplified reimbursement
- No investor-owned HMOs, hospitals, etc.
- Improved health planning
- Public accountability for quality and cost, but minimal bureaucracy

Source: Proposal of the Physicians Working Group for Single Payer NHI. JAMA 2003;290:798
“Improved Medicare-For-All” or “Single-payer”

- Does NOT nationalize hospitals and doctors. Not “socialized medicine.”
- Freedom for patients to pick providers
- Set group of services provided
- Funded by payroll tax- 5-10% (Average employer already pays 8.5%)
- Plan to retrain insurance workers
- Ability to bargain for fair prices
- Would save business and individuals hundreds of billions of dollars…
- National (HR 676) and California (SB 810) legislation already written
Single-Payer

- Easiest solution- HR 676 only 30 pages (compared to 2801 in ACA) (SB 810 only 80 pages)
- Most Just- covers 100%
- Decreases drain on the economy through cutting out overhead and bringing in bargaining power…
- Brings us back to the civilized world
- Not unprecedented to start over- Taiwan 2003
What do we have to build off of in the USA?

- Medicare
- Medicaid
- Indian Health Service, military, and VA are different- socialized medicine like in UK
Public Opinion

• Despite lots of corporate spending to convince people of the contrary
The Rising Popularity of National Health Insurance, 1979-2009

Who Should Provide Coverage?

- Government
- Private Enterprise
- Don't Know

CBS News/New York Times Poll, February 1, 2009
"... The Government Should Provide an NHI Program For All Americans Even if This Would Require Higher Taxes"

Source: CNN Poll May 4-6, 2007
Growing Physician Support for NHI
Surveys of Random Samples of U.S. Physicians, 2002 & 2007

Support NHI, 2002:
- No: 40%
- Strongly: 31%
- Neutral: 18%
- Generally: 11%

Support NHI, 2007:
- No: 32%
- Strongly: 28%
- Neutral: 9%
- Generally: 31%

Source: Carroll & Ackerman, Ann Int Med 2008;148:566
Biggest Reasons Why
• Thank you

• For more information on single-payer visit PNHP.org

• Or contact Nick at marcianick@mac.com