Health Care Reform Fact Sheet

Summary Discussion Points - Supporting Details Follow

1) Recognize that access to health care is a right. Even those who claim otherwise agree that hospitals should stabilize patients with life-threatening conditions. Also, the U.S. military mandates treatment for injured enemy combatants; shouldn’t our nation’s population enjoy the same rights?

2) Acknowledge that the Affordable Care Act (ACA) improved the health care system: Don’t go back to the way it was before the ACA. The ACA decreased the rate of health care price increases while dramatically expanding health care coverage. The market was failing before the ACA.

3) Reject the proposed American Health Care Act (AHCA) because it is poorly crafted. It provides a huge tax cut for the very wealthy as it dramatically increases the number of uninsured. The ACHA sacrifices the health of the poor, disabled, women, and the elderly. It rejects the obvious truth that those who are younger and healthier need to pay into the system so that they can have coverage when they become older or less healthy.

4) Improve the competitiveness of American business. Americans pay too much for health care but get too little. The high cost of employer-based health care increases a firm’s production cost which increases output price. Relative to other developed nations, US per capita health care spending is extraordinarily high. Yet US average life expectancy is mediocre.

5) Reduce the financial uncertainty Americans face. Even with health insurance coverage, many Americans face difficulty paying their medical bills when serious illness strikes. People facing serious health concerns should be able to focus on getting well without the fear of bankruptcy and financial ruin.

6) Change a system that costs hardworking Americans too much money. The typical American worker pays a tremendous percentage of their earnings to health care insurers.
7) Recognize that the best solution to our health care needs is a system which cuts out the middleman and provides coverage for everyone. Virtually every other industrialized country except offers some form of universal coverage. Many U.S. politicians, including Donald Trump, have voiced support for either single payer universal health coverage or at least a health plan that covers everyone. By cutting out the middleman, the savings can be used to make sure everyone has access to health care.

Details for Points in the Health Care Reform Fact Sheet

1) Recognize that access to health care is a right.
In 1986, Congress enacted the Emergency Medical Treatment & Labor Act (EMTALA) to ensure public access to emergency services regardless of ability to pay. Ronald Reagan signed this act into law as part of a broader spending bill, and it applies to all hospitals that accept Medicare funding.

There have been few, if any, efforts to overturn EMTALA. Clearly, both conservatives and progressives support universal health care in emergency situations. EMTALA is based on a moral argument that everyone should have at least a base level of health care. For economic efficiency, this care should extend beyond emergencies because emergency-room treatment costs so much more than preventative care.

To further demonstrate that health care is a right, the U.S. Defense Health Board in its Ethical Guidelines and Practices for U.S. Military Medical Professionals states that “Military health care professionals are also expected to care for detainees, enemy combatants, non-state actors, local nationals, and coalition forces.” It is unreasonable to argue that residents of the United States should not have health care as a right when forces engaged in harming U.S. troops are entitled to such care.

2) Acknowledge that the ACA made health care better: Don’t go back to the way it was before the ACA.
The price of hospital services increased at their steepest rate in the years before implementation of the ACA, according to the Bureau of Labor and Statistics Consumer Price Index. From 2005 thru 2010, hospital costs increased at an average rate of 6.8 percent. From 2011 thru 2016 (subsequent to ACA enactment) they increased at an average rate of 4.9 percent.
Not only did the ACA bring down the rate of hospital price increases, the decline in the number of uninsured was dramatic. According to the National Health Interview Survey, in 2010 there were 48.6 million Americans without health insurance. In late 2016, this number fell to just 27.9 million.

3) Reject the proposed AHCA because it is poorly crafted. It provides a huge tax cut for the very wealthy while it dramatically increases the number of uninsured.

Most health care organizations oppose the AHCA. These include the AARP, the American Medical Association, the American Hospital Association & Federation of American Hospitals, the American Cancer Society Cancer Action Network, the Cystic Fibrosis Foundation, and many more.

The ACA was carefully crafted so that those who are younger and healthier need to pay into the system so that they can have affordable coverage when they become older or less healthy. The AHCA’s elimination of the individual mandate, the rollback in premium subsidies, and the increase in the allowed ratio of health care premiums for younger versus older enrollees, yields an unbearable increase in premiums for many older participants. The Congressional Budget Office (CBO) cites an example of a 64-year-old with an annual income of $26,500, whose annual premium could rise from $1,700 to as much as $16,100 if the ACHA is enacted.

The revised AHCA provides a huge tax break to the wealthy. Taxes would decrease by $992 billion between 2017 and 2026, according to the CBO. According to the Congress Joint Committee on Taxation’s analysis of the original bill, 64 percent of that tax reduction flows to the top 20 percent of income earners, with 40 percent of the total tax savings going to the top 1 percent of income earners. (While the AHCA that passed the House phases in some of the tax cuts more slowly than the original version, all proposed tax cuts would eventually take effect.)

The proposed AHCA would sacrifice the health of the poor. The CBO projects the bill’s reduction in Medicaid spending would force 14 million people to lose their coverage by 2026. Low-income people currently qualified for Medicaid will not have the resources to purchase health insurance on their own.

Women and those with preexisting conditions would also suffer under the proposed AHCA. According to the bill’s provisions, states can apply for waivers to the mandated coverages required by the ACA. Before the ACA, some insurers considered the possibility of pregnancy as a preexisting condition. Furthermore, the proposed AHCA eliminates Medicaid funding to Planned Parenthood for one year. The combined effect is that women, especially those with low incomes, will have reduced access to contraceptive services while simultaneously losing
access to maternity coverage. Additionally, all people with preexisting conditions, if they live in a state that seeks a waiver, could become uninsurable and forced into vastly underfunded high-risk pools that will have unaffordable premiums.

4) Improve the competitiveness American business by helping Americans get their money's worth on care.
According to the Kaiser Family Foundation, 49 percent of Americans in 2015 obtained their health insurance through their employer. The high cost of health insurance gets passed through to buyers of goods and services produced in the U.S.

"Medical costs are the tapeworm of American economic competitiveness,” Warren Buffet said at a recent meeting of Berkshire Hathaway. Buffet notes that corporate taxes decreased significantly from 1960 through 2015 while health care costs during the same period rose from 5 percent to 17 percent of GDP.

For example, compare health care costs and quality between the U.S. and its major trading partner, Japan: Health care costs as a share of GDP was 17.1 for the U.S. and only 10.2 percent for Japan in 2014 (despite Japan having a much older population), according to World Bank data. As for quality of care, Japan ranks 3rd and the U.S. ranks 42nd, according to the CIA’s World Factbook. Japanese are expected to live approximately five years longer than Americans.

5) Reduce the uncertainty Americans face.
Over a quarter (29 percent) of U.S. adults ages 18-64 say they or someone in their household had problems paying medical bills in the past 12 months, according to a March 2017 Kaiser Family Foundation (KFF) report. Among those with insurance, 43 percent reported “having a difficult time affording deductibles.” Medical bills can also lead to problems both meeting other financial obligations and paying for basic necessities. Among those with medical bill problems who have health insurance, 73 percent said they cut back spending on food, clothing, or basic household items.

6) Change a system that costs hardworking Americans too much money.
2015, U.S. health care spending was $9,990 per person, according to the Centers for Medicare and Medicaid Services. Because the system is inefficient, both employees and employers pay a disproportionate amount towards health care.

The cost of health care for a typical American family of four covered by an average employer-sponsored Preferred Provider Organization (PPO) is $26,944, according to the 2016 Milliman
Medical Index (MMI). Of that amount, the employer pays $15,529; the employee pays $7,151, and the employee spends another $4,534 on out-of-pocket health care costs.

7) Recognize that the best solution to financing our health care needs is a system that cuts out the middleman and provides coverage for everyone. When politicians share their feelings, they are often very supportive of a comprehensive single payer system. Donald Trump wrote in his book “The America We Deserve:”

"We must have universal health care. Just imagine the improved quality of life for our society as a whole... The Canadian-style, single-payer system in which all payments for medical care are made to a single agency (as opposed to the large number of HMOs and insurance companies with their diverse rules, claim forms and deductibles) ... helps Canadians live longer and healthier than Americans."

California Senate Bill 562 is a proposed single payer health plan. A recent legislative analysis of the plan to cover everyone in the state is estimated to be $400 billion. With a population of approximately 39 million, this would represent a per capita expenditure on health care of roughly $10,300 per person. This is roughly the same as the state now spends. For roughly the same cost, the 8 percent of California residents who are uninsured would be covered, and everyone will enjoy have comprehensive coverage with no deductibles or copayments.

Implementation of Senate Bill 562 based on this analysis is quite appealing. Payments to health insurers would be eliminated and the savings from reduced administration costs and eliminated profits would instead pay for actual health care services. The analysis assumes that funds from all levels of government currently spent on health care will continue. The message is clear. For roughly the same amount of money that our society now spends on health care, we can improve and provide health care for everyone.