THE EVIDENCE FOR SINGLE PAYER

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HEALTH CARE HISTORY IN 2 SLIDES:

1940’s:
- Europe: The destruction of WWII required the restoration of security through social institutions. Created a system based on human rights.
- The US retained an employment-based system of health care.

1960s belief:
- Private insurance industry would respond quickly to a changing medical economy and cover everybody within 10 years.
HEALTH CARE HISTORY
IN 2 SLIDES:

1980’s:
- Fundamental shift occurred to private investor-owned health corporations.
- Health care was perceived as a fertile field for profit seeking businesses. In this new environment,

Health became a commodity, patients became consumers.
MARKET FAILURE:

- Expensive
- Poor outcomes
- Increasing disparities
- Preventable deaths
- Losing (esp. primary care) doctors
- Underinsurance/Uninsurance
US PUBLIC SPENDING MORE THAN

- Japan: $2,470
- UK: $2,760
- Sweden: $3,200
- Germany: $3,370
- France: $3,450
- Canada: $3,680
- US: $4,062

Note: “US Public” includes benefit costs for government employees and tax subsidies for private insurance.

Total Spending

- $0
- $3,750
- $7,500
- $11,250
- $15,000

Sources: OECD 2008; Health Affairs 2002; 21(4)88 – Data are for 2006
WHO PAYS FOR HEALTH CARE? THE REGRESSIVITY OF U.S. HEALTH FINANCING

SHARE OF HEALTH PAYMENTS/SHARE OF INCOME

INCOME DECILE

Income of the Wealthiest 0.01% as Multiple of Average Income, 1920-2007

Includes capital gains
Physician Visits Per Capita

Source: OECD, 2008 - Data are for 2006 or most recent available year
Hospital Inpatient Days Per Capita

Days/person/year

U.S.: 0.7
U.K.: 0.9
Canada: 0.9
France: 1
Australia: 1
Switzerland: 1.1

Source: OECD, 2008 - Note: Figures are for 2006 or most recent available
Life Expectancy, 2003

Infant Mortality, 2002/2003
Deaths in 1st Year of Life/ 1000 Live Births

Maternal Mortality, 2002/2003
Deaths / 100,000 Births

MRI Units / Million Population, 2004
INCREASING HEALTH DISPARITIES

- For most core quality measures, Blacks (73%), Hispanics (77%), and poor people (71%) received worse quality care than their reference groups.

- For most measures for poor people (67%) disparities were increasing.

- Increasing disparities were especially prevalent in chronic disease management.
Causes of Black/White Disparity in Life Expectancy

- Heart Disease: 30%
- Cancer: 21%
- Homicide: 11%
- Stroke: 9%
- HIV: 7%
- All Other: 22%

Source: MMWR 2001;50:780
Immigrants Get Little Care

Health care costs, $ per capita

Total Health Care
- U.S. Born: $2546
- Immigrants: $1582

ED Care
- U.S. Born: $91
- Immigrants: $33

Children
- U.S. Born: $1059
- Immigrants: $270


* Adjusted for ethnicity, poverty, age, insurance status, patient/parent-reported health status
PREVENTABLE DEATHS

Number of preventable deaths /100,000 from treatable conditions in 19 leading industrialized nations (2002–2003):

The best:
1. France = 64.8
2. Japan = 71.2

The worst:
19. United States = 109.7
= 101,000 preventable deaths per year!

Measuring The Health Of Nations: Updating An Earlier Analysis: Ellen Nolte and C. Martin McKee
Health Affairs, 27, no. 1 (2008): 58–71
LOSING PRIMARY CARE

Shortages in pediatrics, internal medicine and family medicine.

Decreased access to geriatricians and gynecologists.

Low interest by medical students because of:
  - high student loan debt
  - malpractice insurance
  - low starting salaries

Shift in Specialties
U.S. medical school graduates filling residency positions in various specialties, change from 1998 to 2006

<table>
<thead>
<tr>
<th>Specialty</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anesthesiology</td>
<td>150%</td>
</tr>
<tr>
<td>Pathology</td>
<td>122</td>
</tr>
<tr>
<td>Diagnostic radiology</td>
<td>34</td>
</tr>
<tr>
<td>Emergency medicine</td>
<td>18</td>
</tr>
<tr>
<td>Dermatology</td>
<td>7</td>
</tr>
<tr>
<td>General surgery</td>
<td>-4%</td>
</tr>
<tr>
<td>Pediatrics</td>
<td>-8</td>
</tr>
<tr>
<td>OB/GYN</td>
<td>-16</td>
</tr>
<tr>
<td>Internal medicine*</td>
<td>-18</td>
</tr>
<tr>
<td>Family practice</td>
<td>-51</td>
</tr>
</tbody>
</table>

*Includes primary care
Source: National Resident Matching Program
Administrators Are Growing

Source: Bureau of Labor Statistics; NCHS; Himmelstein/Woolhandler analysis of CPS

Physicians vs. Administrators Over Time

- Administrators have significantly more growth compared to Physicians over the years.
- The graph shows a sharp increase in Administrators starting around 2000.

PNHP Logo

Source: Bureau of Labor Statistics; NCHS; Himmelstein/Woolhandler analysis of CPS
# HMO CEO’S PAY, 2009

<table>
<thead>
<tr>
<th>Executive</th>
<th>Firm</th>
<th>Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steve Hemsley</td>
<td>United</td>
<td>$102.0 Million*</td>
</tr>
<tr>
<td>Ronald Williams</td>
<td>Aetna</td>
<td>$24.3 Million</td>
</tr>
<tr>
<td>Edward Hanaway**</td>
<td>Cigna</td>
<td>$18.8 Million</td>
</tr>
<tr>
<td>Angela Braly</td>
<td>WellPoint</td>
<td>$9.8 Million</td>
</tr>
<tr>
<td>Michael McCallister</td>
<td>Humana</td>
<td>$6.5 Million</td>
</tr>
<tr>
<td>Dale Wolf</td>
<td>Coventry</td>
<td>$9.0 Million</td>
</tr>
</tbody>
</table>

Source: AFL/CIO CEO Pay Database & StarTribune

* Includes exercised stock options
** Retired with $73 million bonus
HMO OVERHEAD, 2009

Source: SEC filings to shareholders. Calculated as (100 – Medical Loss Ratio)
WHO WOULD YOU INSURE?

80% uses less than $1000 of care per year

Source: Agency for Healthcare Research and Quality MEPS, 1999
EXPENSES ARE RISING FOR

Full-year, privately-insured households with out-of-pocket expenses > $5,000 (2006 dollars)

1999
3.1%
12%

2006
4.7%

All Households

7.6%

Had Hospital Stay

11.3%

Source: Bernstein D. Office of Economic Policy, US Treasury
"Consumer-Directed Health Care" (CDHC)

- Plans with very high deductibles ($2,000 to $15,000/family per year) and often high coinsurance rate thereafter (25% to 35%)
- Tax free savings account (HSA or MSA) from which deductible and coinsurance can be paid
- Employer contribution to MSA generally covers half or less of deductible
- Only "covered" services count toward deductible
"Consumer-Driven" Plans = Care Denied
Patients with High Deductibles Forego Needed Care

Percent Delaying or Avoiding Care Due to Cost

- Comprehensive Coverage
- CDHP

<table>
<thead>
<tr>
<th>Category</th>
<th>Comprehensive Coverage</th>
<th>CDHP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>16%</td>
<td>29%</td>
</tr>
<tr>
<td>Chronically Ill</td>
<td>18%</td>
<td>32%</td>
</tr>
<tr>
<td>Income &lt; $50,000</td>
<td>26%</td>
<td>34%</td>
</tr>
</tbody>
</table>

Source: Commonwealth Fund/EBRI Survey 3/08
INCREASING MEDICARE HMO

Less outpatient visits
• 198 less visits per 1,000 enrollees

More admissions to the hospital
• 22 more admissions per 1,000 enrollees

More days in the hospital
• 134 more days per 1,000 enrollees

Source: NEJM 2010 362:320
UNINSURED AND

Odds ratio for delayed care*

1.4
1.3
1.2
1.1
1.0
0.8

Insured  Under-Insured  Uninsured**

1.00  1.21  1.38

*Adjusted for age, sex, race, clinical, health status, social/psych factors, urban/rural

** Under-insured = had coverage but patient concerned about cost

Source: JAMA April 15, 2010:303:1392
UNSUSTAINABLE CYCLE!

UNINSURED

Insurance premiums increase

Choose policy with fewer benefits, higher deductible

Increase out of pocket spending

Decrease use of health services

Increase illness and disability

UNINSURED
More Americans are UNDER-insured

Percent Spending > 10% of Disposable Income on Healthcare

<table>
<thead>
<tr>
<th>Type of Coverage</th>
<th>1996</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total U.S. Population</td>
<td>15.8</td>
<td>19.2</td>
</tr>
<tr>
<td>Private Job-Based</td>
<td>14.2</td>
<td>18.2</td>
</tr>
<tr>
<td>Private Non-Group</td>
<td>50.0</td>
<td>53.4</td>
</tr>
<tr>
<td>Public</td>
<td>15.1</td>
<td>19.4</td>
</tr>
</tbody>
</table>

Source: JAMA 2006;296;2712
MOST OF THE MEDICALLY Uninsured

22%

Medicaid
5%

Medicare
10%

VA/Military
2%

Private
61%

Uninsured
22%

Number of Uninsured Americans 1976-2008

Source: Himmelstein, Woolhandler & Carrasquillo - Tabulation from CPS & NHIS Data
WHO ARE THE UNINSURED?

UNINSURED NON-ELDERLY ADULTS

- Full-time Worker 66.5%
- Part-time Worker 14%
- Non-worker 19.5%

## Chronically Ill and Uninsured

<table>
<thead>
<tr>
<th>Condition</th>
<th>% Uninsured</th>
<th># Uninsured</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diabetes</td>
<td>16.6%</td>
<td>1.4 million</td>
</tr>
<tr>
<td>Elevated Cholesterol</td>
<td>11.9%</td>
<td>4.0 million</td>
</tr>
<tr>
<td>Hypertension</td>
<td>15.5%</td>
<td>5.9 million</td>
</tr>
<tr>
<td>Asthma/COPD</td>
<td>19.3%</td>
<td>3.5 million</td>
</tr>
<tr>
<td>Previous Cancer</td>
<td>15.4%</td>
<td>1.1 million</td>
</tr>
<tr>
<td>Cardiovascular Disease</td>
<td>16.1%</td>
<td>1.3 million</td>
</tr>
<tr>
<td>Any of Above</td>
<td>15.6%</td>
<td>11.4 million</td>
</tr>
</tbody>
</table>

## 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>

UNINSURED CHILDREN HAVE

*Adjusted for gender, race, age, location, hospital type, and admission source

Source: Jnl of Public Health, October 29, 2009
SOLUTIONS?

Ø Mandate Model

Ø Tort Reform

✓ Single Payer
Massachusetts Reform Already Faltering
Initial Progress from Medicaid Expansion
Reversed As Mandate Kicked In

Source: Health Affairs Web Exclusive May 28, 2009
Note: Free and subsidized coverage for poor implemented first. Individual mandate effective 1/2008.
TEXAS’ 2003 TORT REFORM

Medicare reimbursement per enrollee, adjusted for medical service inflation

Source: Public Citizen, December 2009

Note: Total malpractice payments decreased 67% between 2003 and 2008.
The U.S. HEALTH CARE SYSTEM

WE TRIED EVERY FIX THE INSURANCE COMPANIES ALLOW BUT IT STILL WON'T FLY!
DO YOU HAVE YOUR FIRE INSURANCE CARD?
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
FUNDING FOR THE NHP

Sources of Revenue:
- Medicare & Medicaid
- State, local government
- Employers
- Private insurance revenues
- New Taxes

Recipient of Money:
- Hospitals, operating
- Hospitals, capital
- HMOs
- Fee-for-service MDs
- Home Care Agencies
- Long Term Care

Source: NEJM 1989; 320:102
Administrative Costs:  
Single Payer Vs. Public Plan Option 
Public Plan Option Saves Little Even if Half of Privately Insured Switch

Administrative costs, 2009 - $ billions

<table>
<thead>
<tr>
<th></th>
<th>Current System</th>
<th>Public Plan Option</th>
<th>Single Payer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance</td>
<td>$673</td>
<td>$626</td>
<td>$310</td>
</tr>
<tr>
<td>Overhead</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Employers'</td>
<td></td>
<td></td>
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<tr>
<td>Ben. Mgt.</td>
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<td></td>
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<tr>
<td>Long Term</td>
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<td></td>
</tr>
<tr>
<td>Care Admin.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MD Office</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Admin</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Hospital</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Admin.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Himmelstein & Woolhandler, Calculations based on NEJM 349:768 updated to 2009
Assumes: (1) Insurance overhead on public plan = traditional Medicare's;  
(2) Employers' health benefit administration costs drop 25%
We Have What it Takes

- Excellent hospitals, empty beds
- Enough well-trained professionals
- Superb research
- Current spending is sufficient
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
Growing Physician Support for NHI
Surveys of Random Samples of U.S. Physicians, 2002 & 2007

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

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

Source: Carroll & Ackerman, Ann Int Med 2008;148:566
A HEALTH SYSTEM THAT
NATIONAL IMPROVED MEDICARE FOR ALL!