The case for an improved Medicare for All

The Problem: The health care crisis in the United States continues

• Approximately 33 million people were uninsured for the entirety of 2014 (U.S. Census Bureau) with about 51.6 million uninsured for at least part of the year (National Center for Health Statistics). Despite the Affordable Care Act's expansion of coverage, about 28 million people will remain uninsured in 2026 (Congressional Budget Office).

• At least 31 million adults aged 18-64 were *underinsured* in 2014, defined as having out-of-pocket expenses in excess of 10 percent of income, or having an insurance deductible of 5 percent or more of income. Underinsurance has climbed steadily despite the passage of the ACA, to 23 percent of adults aged 18-64 in 2014, up from 16 percent in 2010 and 10 percent in 2003 (Commonwealth Fund).

• About 33,000 deaths annually were associated with lack of health insurance in 2014 (American Journal of Public Health). That's about one death every 16 minutes.

• Twenty percent of Americans aged 18-64 with insurance reported having trouble paying medical bills in 2015, according to a Kaiser poll. Among those, 75 percent said the amount they had to pay for co-pays, deductibles or co-insurance was more than they could afford, and 43 percent said they skipped medical care they needed in the past year due to cost. About 1 in 4 American workers now have high-deductible health plans, up from 4 percent in 2006 (NPR/RWJ/Harvard School of Health survey, Health Affairs).

• Sixty-two percent of all personal bankruptcies in the U.S. are linked to medical bills or illness, and three-quarters of those bankrupted had health insurance when they got sick. (American Journal of Medicine). In 2014, that roughly translated into one medical bankruptcy every minute.

• Even though U.S. health spending is the highest in the world, at an estimated $10,125 per person (or 18 percent of GDP) in 2015 (Health Affairs), the U.S. ranked sixth of seven countries in terms of quality in a 2010 cross-national study by The Commonwealth Fund. We're not getting our dollars' worth.

• Private health insurance companies have high overhead expenses, including advertising, underwriting costs, and lavish payouts to executives and shareholders. They siphon off 12 percent to 25 percent of premiums – billions of dollars every year – that should be spent on health care. The U.S. has notoriously high administrative costs, about 31 cents of every health care dollar, most of which is unnecessary (New England Journal of Medicine). By comparison, traditional Medicare's overhead was about 2 percent in 2014 (Report of the Board of Trustees, 2016).

• The six most highly paid CEOs at the nation's private health insurance companies garnered a combined total of $164.7 million in compensation in 2015. Cigna's David Cordani led the pack with $49.0 million, $187,772 per day. Source: SEC 14A Schedules (includes salary, bonus, non-equity incentive plan, other compensation and realized stock option gains and stock awards that vested).

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The Solution: an Improved Medicare for All, single-payer national health insurance

• We have an American system that works: Medicare. It's not perfect, but Americans with Medicare are far happier than those with private insurance. 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.

• Single-payer legislation like "The Expanded and Improved Medicare for All Act," H.R. 676, sponsored by Rep. John Conyers Jr., would (1) provide for very simple enrollment in the plan, (2) provide comprehensive services covering all medically necessary care and drugs, (3) allow free choice of doctor and hospital, (4) eliminate all co-pays and deductibles, (5) create a public, nonprofit agency to pay all the bills, simplifying administration, paperwork and bureaucracy, (6) finance care through progressive taxation, with people paying less than what they are paying now for premiums and out-of-pocket expenses, (7) boost job growth and the entire U.S. economy by reducing the burden of health costs on businesses, (8) provide everyone with first-dollar coverage without spending any more than we are now, thanks to the administrative savings, estimated at $500 billion annually, (9) provide powerful cost control tools like bulk purchasing and global budgeting (JAMA) for long-term, sustainable savings.

• A single-payer Medicare-for-all system would not be "socialized medicine," since many physicians and other providers would remain in private practice. Only the financing would change. It would not introduce "government rationing" (as opposed to the rationing we have now based on ability to pay), but would restore the doctor-patient relationship by removing meddlesome private insurer bureaucrats. It would be transparent and publicly accountable, fair and efficient. It would be humane.

• Polls, surveys and "citizen juries" show such an approach enjoys the support of two-thirds of the U.S. population. A survey of U.S. physicians published in 2008 showed 59 percent "support government legislation to establish national health insurance." Endorsements by labor, faith-based and civic organizations and legislative bodies provide further evidence of strong support for this solution.

• Dr. Martin Luther King Jr. once said, "Of all the forms of inequality, injustice in health care is the most shocking and inhuman."

• We need to create a single-payer system, an improved Medicare for All.

Physicians for a National Health Program is an educational and research organization of more than 20,000 doctors who support single-payer national health insurance. For more information, visit www.pnhp.org.