

ONE  
NATION  
UNDER  
**INSURED**

# A Crying Shame

Many Americans don't realize that in comparison to the health care systems of other countries, ours is not even close to the most efficient or most humane.

"Every developed country - with the exception of the United States - has made a genuine effort to assure that every person living in that country has health care coverage (not just access)."<sup>1</sup> That's right; EVERY other developed country provides health insurance coverage for everyone, and most countries, even third world countries, recognize health care as a human right. Only in America is the health care delivery system governed by the potential to make huge profits. Only in America is health insurance coverage linked directly to employment status. Only in America are people forced to shoulder more and more health-related costs in the form of co-payments and deductibles.

We cling to the belief that our health care system is the best in the world. Actually, we regularly place in the 20th to the 25th percentile in terms of life expectancy, infant mortality, and immunization rates.<sup>2</sup> We do hold a few first place positions. We lead the world in infant mortality, as well as in the amount of money we spend per capita on health care. Too bad much of that money goes towards administration fees to process the paperwork we have to file with every visit to every doctor.

How does America respond to this challenge? The established "medical industrial complex" fights to maintain the status quo. In one instance, in the early 1990's, the American Medical Association spent millions of dollars on a marketing campaign to discredit the Canadian health care system, and in the year 2000 they spent "perhaps \$60 million" more to continue to disparage it.<sup>3</sup> Yet Canada consistently bests America in numerous surveys about health care access and delivery.

Where does that leave us? In short, "America is the only developed country where getting sick or injured can, and frequently does, lead to bankruptcy."<sup>4</sup> It's a crying shame.

1 Robert H. LeBow, M.D., *Health Care Meltdown, Confronting The Myths and Fixing Our Failing System*, © 2002, 2003, Alan C. Hood & Company, Inc., pg. 142

2 IBID, pg. 149

3 IBID, pg. 148

4 IBID, pg. 150

# Access ... or coverage?

There is a cruel form of health care self-rationing going on in America today because so many people simply can't afford to pay for visits to the doctor or high prescription prices, whether or not they have insurance. Most of us get our insurance through our employer's group policies, but even so we pay for it out of our own pockets. Co-pays are increasing, prescription prices are increasing, and there is a movement afoot to make the patient bear even more responsibility for the cost of routine health care. With no relief anywhere in sight, the poor, elderly, uninsured, and under-insured often postpone treatment or do without needed care, all of which leads to sicker people needing more expensive treatment when they finally do seek help.

On the other end of the spectrum are the over insured, who can order any treatment or prescription without fear of the cost, either because they have their own private supplemental insurance or because they work for a large firm able to provide extensive coverage. But as small businesses (read - less extensive coverage) employ most of the people in the United States, the future looks grim.

“Nationally the percentage of eligible private-sector workers that accept their employers' offer of individual health insurance declined five percentage points (from 85.3 percent to 80.3 percent) from 1998 to 2003. This means that 3 million fewer workers who are eligible for coverage benefits elected to enroll in their employers' health insurance plan.”<sup>1</sup> That is due, in part, to the fact that health insurance premiums are rising faster than wages.



Cartoon courtesy of flapsblog.com

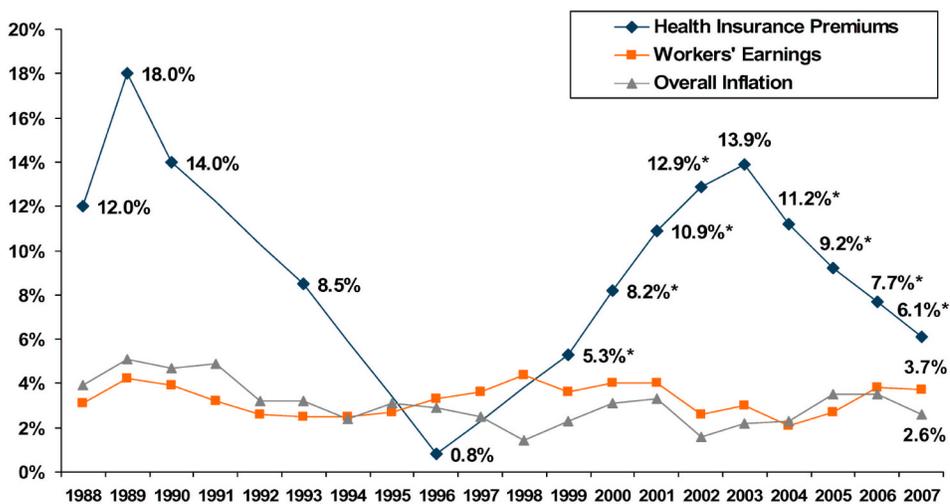
1 Robert Wood Johnson Foundation. *Report shows Decline in Employees Accepting Health Insurance, Rising Insurance Premiums Across Nation*. May 4, 2006. ([www.rwjf.org/newsroom/newsreleasesdetail.jsp?productid=21890](http://www.rwjf.org/newsroom/newsreleasesdetail.jsp?productid=21890))

# Costs

## Disappearing Dollars

Your income isn't keeping pace with the cost of health insurance. Although premiums have decreased in recent years, they're still two and a half points above the average worker's earnings, and the price you pay each month has gone nowhere but up since 1999. Paying more for premiums means cutting corners and doing without. In effect, you're taking home less than you did five years ago.

**Exhibit 1: Increases in Health Insurance Premiums Compared to Other Indicators, 1988-2007**



\*Estimate is statistically different from estimate for the previous year shown ( $p < .05$ ). No statistical tests are conducted for years prior to 1999.

Note: Data on premium increases reflect the cost of health insurance premiums for a family of four. The average premium increase is weighted by covered workers.

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2007; KPMG Survey of Employer-Sponsored Health Benefits, 1993, 1996; The Health Insurance Association of America (HIAA), 1988, 1989, 1990; Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation (April to April), 1988-2007; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 1988-2007 (April to April).



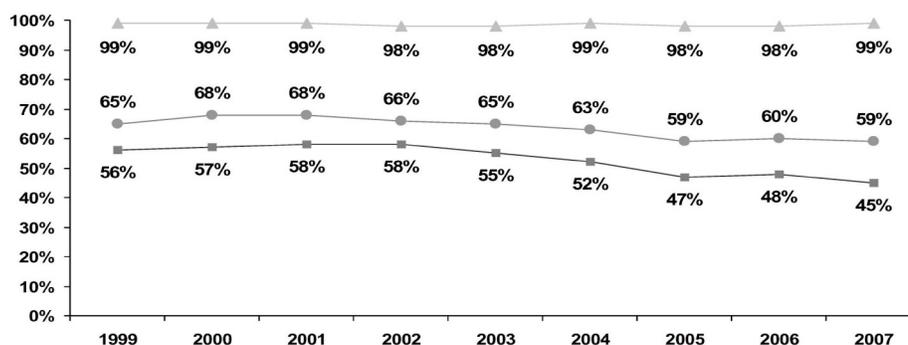
Chart courtesy of The Kaiser Family Foundation, www.kff.org, publication #7693.

# Costs

## Even Our **Bosses** Can't Afford It

According to the Kaiser Family Foundation and Health Research and Educational Trust annual survey, “Sixty percent of employers offer health benefits in 2007, similar to the 61% offer rate reported in 2006 but lower than the 69% offer rate in 2000. The drop in the overall offer rate is driven by the declining percentage of small firms (3-199 workers) that offer coverage. Among firms with 3 to 9 workers, the offer rate has dropped from 57% in 2000 to 45% in 2007. Over this same time period, the offer rate has remained stable for firms with 200 or more workers at 98% or 99%”<sup>2</sup> (see chart below).

**Exhibit 7: Percentage of All Firms Offering Health Benefits, 1999-2007\***



\*Tests found no statistical differences from estimate for the previous year shown ( $p < .05$ ).

Note: Estimates presented in this exhibit are based on the sample of both firms that completed the entire survey and those that answered just one question about whether they offer health benefits.

Source: KFF/HRET Survey of Employer-Sponsored Health Benefits, 1999-2007.



Chart courtesy of The Kaiser Family Foundation, [www.kff.org](http://www.kff.org), publication #7693.

# Costs

Even Our **Bosses** Can't Afford It

Based on these statistics, one might speculate that the cost of providing health insurance benefits has become prohibitive for small employers. When you consider that “small businesses create two out of every three new jobs and account for nearly half of America’s overall employment”<sup>1</sup> it seems clear that the numbers of uninsured and under-insured will continue to grow.

1 The President’s Small Business Agenda: Helping Entrepreneurs Prosper. April 13, 2006. ([www.whitehouse.gov/infocus/smallbusiness/](http://www.whitehouse.gov/infocus/smallbusiness/))

# Costs

... where the money goes

Who is your insurance carrier?



*Please fill out this form and take a seat...*

*Ask your doctor about...*

One of the most enduring myths about American health care is that our drug prices are higher due to the money the pharmaceutical companies spend on research and development. But data from the drug companies' annual reports show that they spend almost three times as much on marketing and administrative costs as they spend on research and development.<sup>1</sup>

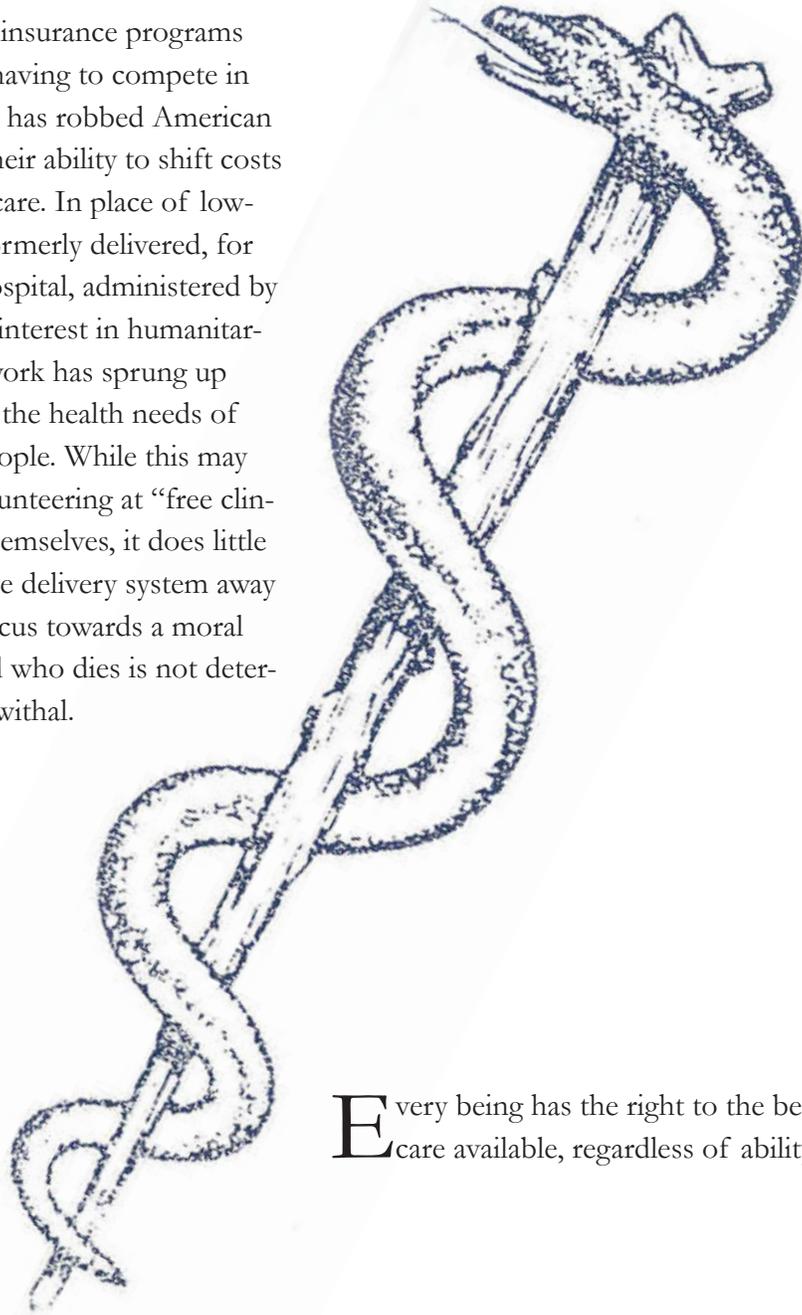
*The purple pill....*

<sup>1</sup> "Prescription Drugs Policy Toolkit." Center for Policy Alternatives.

# Costs

## ... what's really at stake

Managed cost-based insurance programs and the reality of having to compete in a market-driven economy has robbed American religious institutions of their ability to shift costs in order to cover charity care. In place of low-cost or free health care formerly delivered, for example, by a Catholic hospital, administered by people who had a vested interest in humanitarian aide, a piecemeal network has sprung up to attempt to provide for the health needs of un- and under-insured people. While this may enable the individuals volunteering at “free clinics” to feel good about themselves, it does little to re-orient the health care delivery system away from its market-driven focus towards a moral ethic where who lives and who dies is not determined by financial wherewithal.



Every being has the right to the best medical care available, regardless of ability to pay.

# Other Countries

... how we <sup>don't</sup> measure up

America spends 50% to 200% more (per capita) for its health care than the other developed countries, yet, as a population, our outcomes are worse.<sup>1</sup> Our healthy life expectancy after age 65 is less, our infant mortality rate is more. Our waiting times to see a doctor when we want to are longer, and there are more medical errors here than elsewhere.

## Healthy Life Expectancy

	U.K.	Canada	Australia	New Zealand	Japan	Iceland	U.S.
Men	76 yrs.	76 yrs.	77 yrs.	76 yrs.	82 yrs.	79 yrs.	75 yrs.
Women	78 yrs.	79 yrs.	80 yrs.	78 yrs.	78 yrs.	78 yrs.	78 yrs.

Source: Commonwealth Fund National Scorecard on U.S. Health System Performance, 2006

## Number Of Infant Deaths Per 1000 Live Births

U.K.	Canada	Australia	New Zealand	Japan	Iceland	U.S.
5.2	5.4	4.1	5.6	3.0	2.2	7.0

Source: Commonwealth Fund National Scorecard on U.S. Health System Performance, 2006

## Medical, Medication, Lab Errors: Among Sicker Adults, 2005

U.K.	Canada	Australia	New Zealand	Germany	U.S.
22%	30%	27%	25%	23%	34%

Source: Commonwealth Fund National Scorecard on U.S. Health System Performance, 2006

## Waiting Time To See Doctor: Among Sicker Adults, 2005

	U.K.	Canada	Australia	New Zealand	Germany	U.S.
6 Days or More	15%	36%	10%	3%	13%	23%
Same/Next Day	61%	36%	66%	81%	69%	47%

Data: 2005 Commonwealth Fund International Health Policy Survey of Sicker Adults (Schoen et al. 2005a).

<sup>1</sup> Robert H. LeBow, M.D., *Health Care Meltdown, Confronting The Myths and Fixing Our Failing System*, © 2002, 2003, Alan C. Hood & Company, Inc., pg. 150

# The Political Response

The August 2007 Kaiser Tracking Poll finds that health care coverage is second only to the Iraq war in issues the American public wants to hear presidential candidates discuss. The candidates are responding with a variety of plans ranging from universal coverage to reducing costs through tax incentives. But this is pre-election grandstanding. Implementing a different system will be challenging as it calls for virtually overturning the current power structure. Vincent Navarro writes in the *Monthly Review*, “You may well ask why (the current health care) situation continues and is reproduced. The answer is ... because of class power, that is, because the corporate class, such as insurance bosses and large employers, has enormous power in our political system. This class power manifests itself in many different forms. One of them is the class composition of the top decision-making bodies of our government: 84 percent of cabinet members, 78 percent of the Senate, and 62 percent of the House over the last forty-two years have been members of the corporate class. The remainder have been members of the upper-middle class. There are very few from the lower-middle class or from the working class.”<sup>1</sup>

It remains to be seen whether or not a grassroots movement will be able to unseat corporate culture in American politics. The enormous amount of money being raised in the current campaign will certainly influence future policy decisions, despite claims to the contrary. In a country where the shrinking middle class has to choose between paying for prescriptions and paying for food, it is unlikely that the average American is able to donate a substantial amount of money to influence their favorite candidate. Without disposable income available to donate toward influencing decision makers, how can the people make our voices heard?

1 Navarro, Vincent . *Monthly Review*, Volume 55, Number 4. September 2003. ([www.monthlyreview.org/0903navarro.htm](http://www.monthlyreview.org/0903navarro.htm))

# Single Payer

A single-payer health insurance system that provides universal coverage for all American citizens is a workable solution. It is the only solution that makes sense out of the myriad of paperwork and forms required by our currently segmented system. Administrative costs for processing the paper associated with health care have risen exponentially over the past twenty years, nearly 2,000 % between the years 1992 and 1998.<sup>1</sup>

The estimated overhead for administrative costs among private-sector health insurers is estimated to vary between 9 and 30 percent (about 15 percent on average).<sup>2</sup>



Although it is widely assumed that anything the United States government does is inherently wasteful, both of the existing government health

insurance programs, Medicare and Medicaid, have significantly lower administrative costs. Medicare is between two and three percent, and Medicaid is about five or six percent.<sup>3</sup>

So the government is already involved in your health care, and that is a good thing. It's not impossible to expand the current system to cover all American citizens, but it will be an uphill battle against well-entrenched powers.

1 Bureau of Labor Statistics & NCHS

2 Robert H. LeBow, M.D., *Health Care Meltdown, Confronting The Myths and Fixing Our Failing System*, © 2002, 2003, Alan C. Hood & Company, Inc., pg. 21

3 IBID, pg. 21