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Tells the Facts, Names the Names

WHAT IS MEANT BY "SINGLE-PAYER" IN THE CURRENT DISCUSSION OF HEALTH CARE REFORMS DURING THE PRIMARIES?

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Single-payer means that most of the funds used to pay for medical care are public, that is, they are paid with taxes. The government, through a public authority, is the most important payer for medical care services and uses this power to influence the

organization of health care. The overwhelming majority of developed countries have one form or another of a single-payer system. The US is the only country that does not have a single-payer system. This is one reason why medical care is so expensive (the US spends \$9,698 per capita in medical care, much more than any other country; Sweden spends \$5,000, Germany \$4,720, Canada \$4,430, France \$4,120, the UK \$3,240, and Japan \$3,240); inefficient (by far, the US has the highest percentage of unnecessary medical procedures, including surgery, in the developed world); and extremely unpopular (nearly 40% of the US population believes the country's medical care should be reformed completely, vs. only 12% of Canadians and British). US medical care is also extremely cruel and insensitive. Almost 40% of people with terminal conditions, which means they are dying, worry about how they or their families are going to pay for their care.

Why is the US in this situation?

The usual answer is that the majority of funding is private: 48% of funding is public and the majority, or 52%, is private. These percentages, however, are misleading. David Himmelstein and Steffie Woolhandler, founders of Physicians for a National Health Program, have shown that taking into account the subsidies the government

pays to health insurance companies through tax exemptions for their premiums, the overwhelming funding of health services is public.

Why, if health funding is public, do we still have the situation I described?

This situation exists because the majority of medical care is managed by insurance companies whose primary objective is to make money for their managers and stockholders. The health insurance industry makes huge amounts of money, and health insurance company CEOs are among the best paid individuals in this country. Steve Hemsley, CEO of United, makes an annual compensation of \$66 million, or \$254,328 a day. And he is no exception. There is an enormous amount of administration costs to cover the expenses of administrators. Since 1990, the number of administrators (i.e., those involved in paper shuffling) has increased almost 60 times faster than the number of medical professionals.

The other sector of the US medical system that also makes a huge amount of money is the pharmaceutical industry, one of the most profitable businesses in the US, with profit rates five times higher than the profit rate of the median Fortune 500. One reason the industry is so profitable is that it basically sets the prices of drugs it sells to the government. By law, the government has to accept the

price defined by the pharmaceutical industry. This scandalous situation happens nowhere else in the Western world.

But the explanation usually provided by the media is that people like the system as it is

That is not true. The US has the largest percentage of citizens profoundly unhappy with their country's medical care system. Almost 35% of people indicate that the medical care system should be reformed completely. Canada only has 12% of people who feel that way. Since 2009, the majority of people (54%) have preferred to have a national medical care system that is publicly funded. Even a higher percentage, 77%, believes the government should provide quality medical coverage to all adults.

Could the reason that medical care is so expensive in the US be due to the fact that it is used more frequently in the US than in other countries?

No. The facts show otherwise. The US has one of the lowest rates of physician visits per capita (4 per year), lower than Denmark (4.5), the UK (5), France (6.4), Australia (7.3), Canada (7.7), and Japan (12.6), to name a few.

What about having more health professionals? Could this be the reason for higher expenditures?

No. As a matter of fact, the number of health professionals, like nurses, is smaller in the US than in other countries with a comparative level of economic development. In the US, there are 11.1 nurses per 1,000 individuals. Ireland has 12.4, Germany 12.8, Australia 12.8, Denmark 17.6, and Norway 19.9, among others.

Could it be that the US population uses hospitals more frequently than citizens in other countries?

Again, no. Hospitalized days per person in the US are one of the lowest among countries of comparable economic development, at 0.6 days per year, less than the UK (0.7 days), Australia (0.8 days), France (0.9 days), and Switzerland (0.9 days).

Could it be because we have a higher percentage of elderly people, who in general utilize health services more than other age groups?

Again this argument does not have any validity, because the percentage of people who are 65 years and older is lower than the percentage in similar countries. In the US, this group constitutes

14.5% of the population, while in Canada it is 15.6%, the UK 17.6%, France 17.7%, Sweden 19.3%, Germany 20.8%, Italy 21.4%, and Japan 26.0%. In all these countries, the utilization of medical services is much larger, and the percentage of elderly is also much larger. At the same time, medical care expenditures are much lower, while providing more extensive health benefits coverage than in the US.

What should be done?

The solution is fairly easy to see. We can see in other countries what should be done in the US. Look, for example, to Canada. The great advantage of Canada is that our neighboring country used to have the same system of funding as the US, including the same insurance companies. But it decided to change, establishing a national medical care program that could be funded publicly, using the power of being the single-payer for services to influence the organization of health services, including doctors' offices and hospitals, which continued to be, for the most part, in the private sector. The system eliminated the insurance companies as intermediaries and was able to provide more comprehensive coverage at lower costs than in the US.

How did they do it?

Fairly simple. Employers and employees stopped paying premiums to insurance companies and, instead, paid directly to the public authority, which paid the providers. Rather than paying premiums to insurance companies, they paid taxes to the public authority, which is the entity directly negotiating with providers.

But what about candidates in the primaries who say that with single-payer, people will pay higher taxes?

Yes, this will indeed be the case. But what those who criticize single-payer do not say is that while people will pay higher taxes, these taxes will be a great deal lower than the premiums for which the taxes will be substituting. In other words, the American population will be paying considerably less and will gain considerably more. That is the reality that they do not mention.

Where will the money be coming from? Where will the savings originate?

Savings will originate from many sources. One will be the reduction of outrageous overhead costs of the insurance companies that go to pay for large CEO salaries, marketing, large administrative staffs, and large infrastructure. The US spends \$829 per capita in insurance overhead alone. Canada's overhead for administrating its

medical care system is only \$160 per capita. Imagine the amount of savings if we were to have a single-payer system like Canada. Another source of savings is the considerable decline in the prices in pharmaceuticals. The list of potential savings is enormous.

Why can we not have a similar program?

Because the 1% of the corporate class, or what is being called the billionaire class, has enormous power, unparalleled in any other country. In the US, it is not only the funding of medicine that is privatized, but also the electoral process. Most of the money used by candidates for public office comes from the business class, including the insurance companies. This is the root of the problem, because the billionaire class does not want to have a national health program, and they control the executive and legislative branches of the federal government.

And why do they not want a national health system?

The health insurance-based system allows the class of employers to control the workers and employees who work for them. Remember that when workers are fired, they lose not only their salary but also the medical care coverage of their family. This is one reason the US has the lowest number of working days lost due to

strikes. The current dependency of health care coverage on employment is very useful to the class of employers in imposing labor discipline. The employer class has influence in the US Congress.

Another group within the billionaire class that benefits from and fights to maintain the current system is, of course, the insurance companies, who make a lot of money from the medical care system. The class alliance between industrial capital and financial capital has been critical for the maintenance of the current system.

What could be done?

The working population of this country, which has different and frequently opposed interests to the billionaire class, has to mobilize to be able to change the political system and forbid the country's billionaire class from buying its political class. This mobilization, through the development of socialist, class-based parties, must take place to be able to reach a national health program. The experience of Canada is particularly relevant. It was a socialist party that initiated the single-payer in the province of Saskatchewan. As in the majority of countries that have single-payer, the socialist parties were the ones that introduced policies that influenced single-payer systems.

Is this possible in the US?

It is difficult, but not impossible. The primary problem is private funding of the electoral process, which corrupts democracy to the bone. Another problem is the lack of proportional representation that imposes a bi-party system: the Republican and Democratic Parties. The Republican Party today is a very conservative party, to put it mildly. The Democratic Party was rooted in the New Deal Transition, but has distanced itself from that tradition and has been moving more to the right. Neither of them are left-wing parties. Actually, very few people seem to know that the Democratic Party belongs, as an observer, to the International Association of Liberal Parties. These parties have been funded in each country by their “employer class” (“liberal” in Europe has a very different meaning than in the US; “liberal” in Europe is someone like President Reagan, the opposite of what it means in the US, where “liberal” is like Reverend Jesse Jackson Senior, whose policies are more similar to European social democracy). This fact shows you the nature of the challenge. The supposedly left party in the US is to the right of the Conservative Parties in many European countries. There is not a major socialist party in the US, and we pay a cost for it. This is not a partisan observation. It is a scientific one. The evidence for this is overwhelming.