

# Contrast of Current U.S. Profit-Centered Health Care with People-Centered Public Payer, Private Provider Health Care

## Current Profit-Centered U.S. Health Care

### Access to Coverage

- Premiums rose 87% 2000-06. 46 million are uninsured; another 50 million are under-insured. Annually 18,000 or more uninsured die due to lack of care. (Institute of Medicine).
- Private insurers exclude those with “pre-existing” health conditions (even borderline cholesterol or benign breast mass).
- Choice of providers is limited through HMOs & PPOs. Health insurance bureaucrats can override decisions by providers and patients.

### Cost-Effectiveness

- The U.S. spends on average twice as much on health care, with poorer outcomes, than countries with national health care. Among 30 leading industrial nations in 2001 the U.S. ranked:
  - 24<sup>th</sup> in infant mortality (of 28)
  - 22<sup>nd</sup> in female life expectancy
  - 22<sup>nd</sup> in male life expectancy (OECD Health Data, 2004)
- One-third of premium dollars don't go to health care—20% go to profits & overhead; 12% to excess administrative costs by hospitals/providers. (*American Medical News* 03/06/06)
- Over 1,200 private health insurers subdivide the risk pool, siphoning off money for profits & duplicative administrative costs, also creating a blizzard of paperwork for providers.

### Consumer / Social Costs

- Rising numbers of under- and uninsured result in costs shifted to public facilities & taxpayers. Overburdened emergency, psychiatric, etc., facilities have been forced to close.
- Medical bills contribute to 50 percent of U.S. personal bankruptcies —75 percent of those have health insurance. (Harvard Medical & Law Schools Study, 2005)

### Business / Employee Costs

- Employment-linked health coverage reduces competitiveness of business, reduces effective employee take-home pay, and adds to consumer costs (e.g., \$1,500 to each U.S.-made car in 2004 - *Critical Condition*, Steele & Barnett 2004)

### Health Care Rationing

- Health care is rationed by ability to pay. Health Savings Accounts w/ catastrophic coverage benefit only the wealthy who can afford to save and the healthy with low health costs.
- Traditional employer insurance costs rise as the healthy and wealthy leave the risk pool—prices rise, employers drop coverage and more become uninsured.

More Info: [www.healthcareforallcolorado.org](http://www.healthcareforallcolorado.org) [www.cnhpnow.org](http://www.cnhpnow.org) [www.pnhp.org](http://www.pnhp.org)

## People-Centered Public Payer, Private Provider Health Care

### Access to Coverage

- Covers all medically necessary health care (including drugs, long-term and home health care, etc.) for everyone. Current premiums and out-of-pocket expenses would be replaced by sliding scale taxes for no more cost than currently - probably less.
- Provides access to treatment for all based on evidence-based medicine. Permits consumer choice of providers, and consumer-provider health care decisions.

### Cost-Effectiveness

- Reduces or eliminates overhead costs (excessive CEO salaries, shareholder profits, lobbying, administrative and advertising costs)
- Permits planning to reduce unnecessary, wasteful duplication of facilities, services, equipment, etc.
- Permits negotiation of annual budgets with health care facilities, fair prices with provider associations, and bulk rates with pharmaceutical & medical device companies.
- Reduces administrative cost burdens for providers who only have to deal with one payer.

### Consumer / Social Costs

- Permits timely health care by eliminating copays and deductibles that often force the under- and uninsured to use delayed, more expensive crisis emergency room care.
- Consumers need not fear bankruptcy & loss of home and everything they have worked for due to medical bills.

### Business / Employee Costs

- Employers are free from costs of administering health insurance. Employees are freed from shifted health costs & health care tied to jobs. Consumers are saved added costs of goods and services.

### Health Care for All

- Single payer does not ration care based on means to pay. Because it covers all, it does not shift costs or compromise health care for anyone - important also from a public health perspective to provide primary preventive care to ward off threat of epidemics.

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