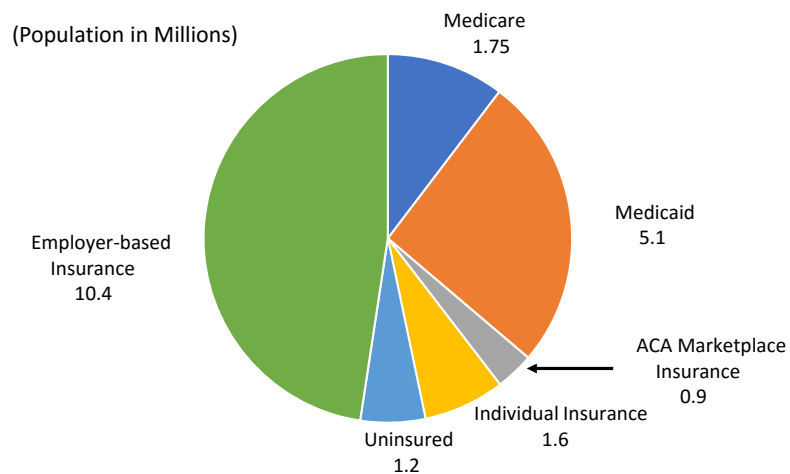


From **Obamacare** to **Medicare-for-All/NY**

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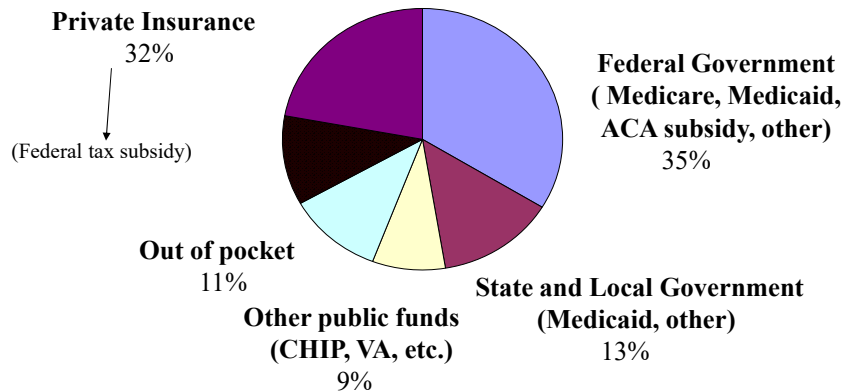
November 2017

Most New Yorkers Get their Coverage from the Private Sector While More Than 1 Million Remain Uninsured



Source: Census Bureau 2017. NYS Dept. of Health 2017

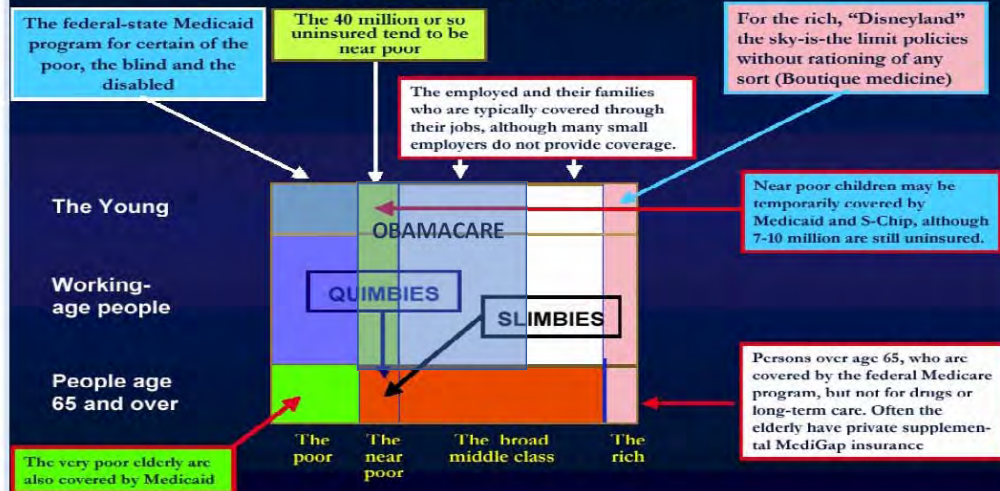
...But More than Half the Money Comes from the Public Sector



Source: Centers for Medicare and Medicaid Services, DHHS, 2016

The U.S. Health Care (System?)

CATEGORIES OF AMERICANS AND THEIR HEALTH-CARE DEALS Simplified Schematic



Source: Uwe Reinhardt, Ph.D., Princeton University

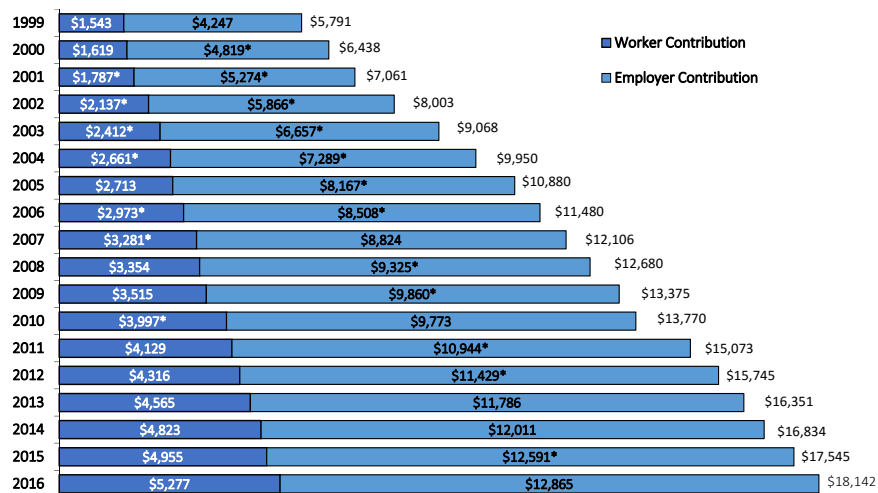
Affordable Care Act (ACA) aka Obamacare

- Individual mandate to purchase private insurance if not covered by other insurance (Medicare, Medicaid, VA)
- Subsidies for premiums and cost-sharing (copays, deductibles) to make insurance affordable
- Expansion of Medicaid to be the safety-net insurer of last resort for all below 138% of poverty level

Established the principle that everyone should have access to health care

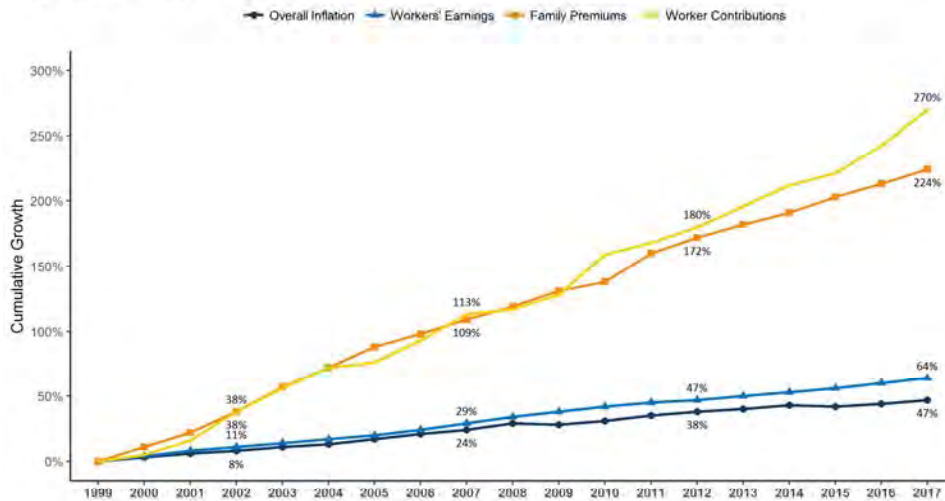
INSURANCE PREMIUMS CONTINUE TO RISE...

Average Annual Worker and Employer Contributions to Premiums and Total Premiums for Family Coverage, 1999-2016



SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2016.

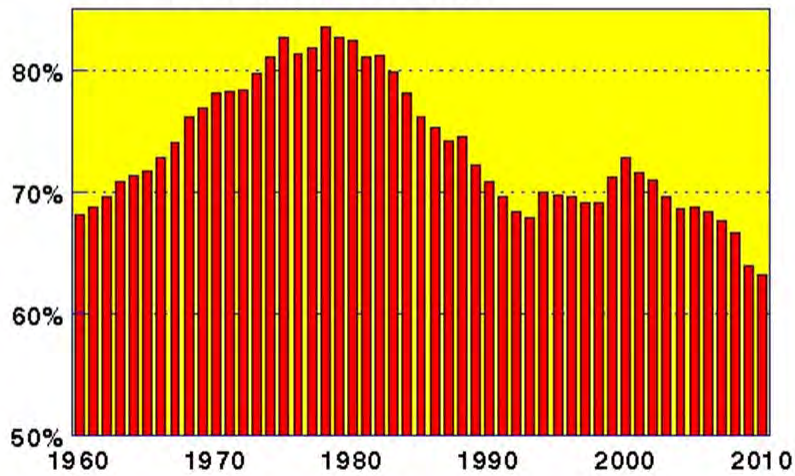
Figure 5
Cumulative Increases in Family Premiums, Worker Contributions to Premiums, Inflation, and Workers' Earnings, 1999-2017



SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017; Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation (April to April), 1999-2017; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 1999-2017 (April to April)

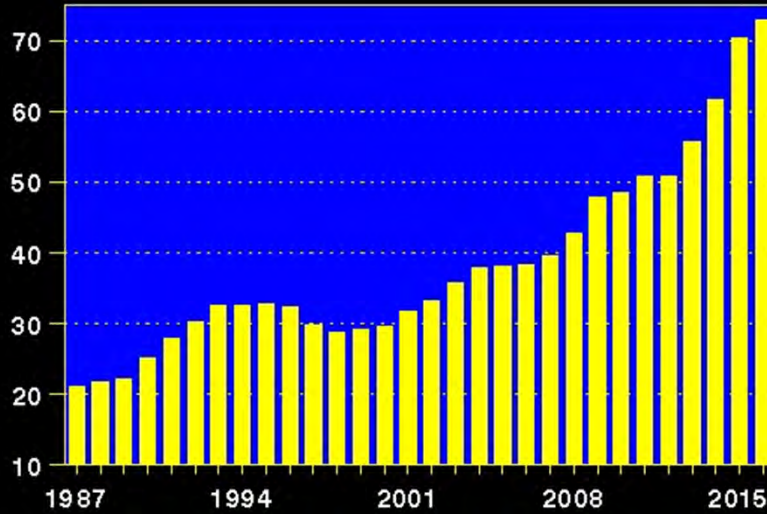
Shrinking Private Insurance, 1960-2010

Percent with private coverage



Source: Himmelstein & Woolhandler - Tabulations from CPS & HIAA Data
 Note - Data are not adjusted for minor changes in survey methodology

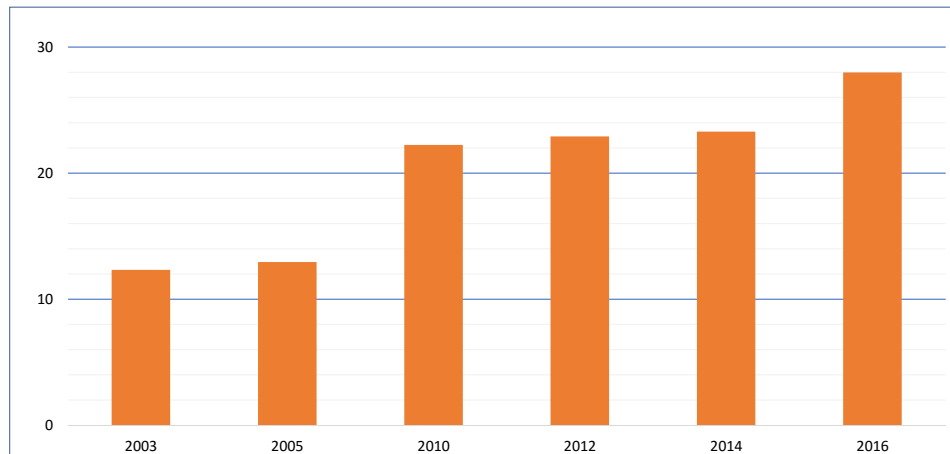
Medicaid Enrollment, 1987-2016



Source: Bureau of the Census and Kaiser Foundation

More Than One-Quarter of Insured Adults Were Underinsured in 2016

Percent adults ages 19-64 insured all year who were underinsured*



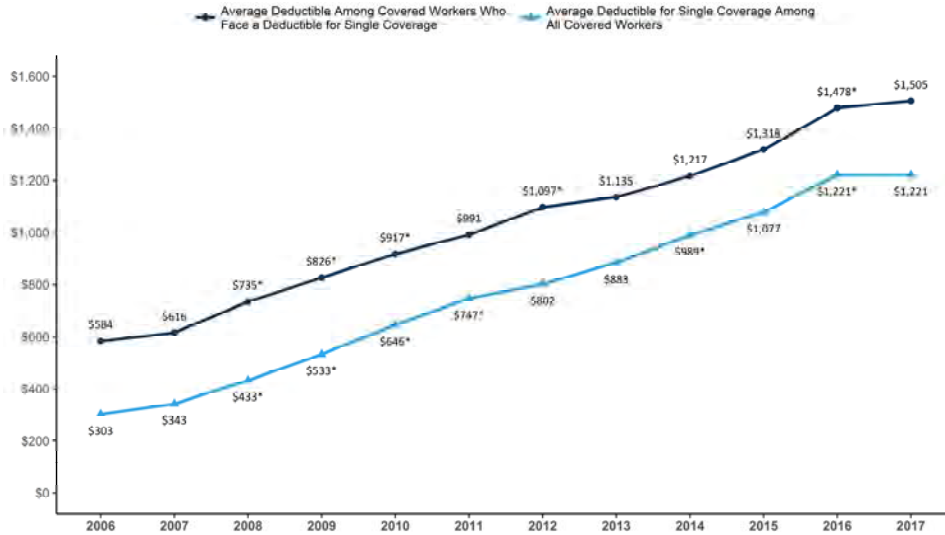
* Underinsured defined as insured all year but experienced one of the following: out-of-pocket costs, excluding premiums, equaled 10% or more of income; out-of-pocket costs, excluding premiums, equaled 5% or more of income if low-income (<200% of poverty); or deductibles equaled 5% or more of income.

Data: Commonwealth Fund Biennial Health Insurance Surveys (2003, 2005, 2010, 2012, 2014, and 2016).



Source: S. R. Collins, M. Z. Gunja, and M. M. Doty, *How Well Does Insurance Coverage Protect Consumers from Health Care Costs? Findings from the Commonwealth Fund Biennial Health Insurance Survey, 2016*, The Commonwealth Fund, October 2017.

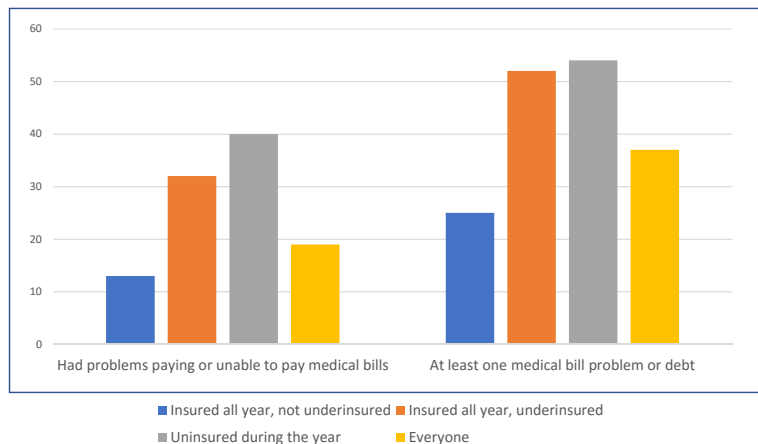
Average General Annual Health Plan Deductibles for Single Coverage, 2006-2017



* Estimate is statistically different from estimate for the previous year shown (p < .05).
 NOTE: Average general annual deductible is among all covered workers. Workers in plans without a general annual deductible for in-network services are assigned a value of zero.
 SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006-2017

More Than Half of Underinsured Adults Reported Medical Bill Problems, Close to Uninsured

Percent adults ages 19-64



* Underinsured defined as insured all year but experienced one of the following: out-of-pocket costs, excluding premiums, equaled 10% or more of income; out-of-pocket costs, excluding premiums, equaled 5% or more of income if low-income (<200% of poverty); or deductibles equaled 5% or more of income.

Data: Commonwealth Fund Biennial Health Insurance Survey (2016).

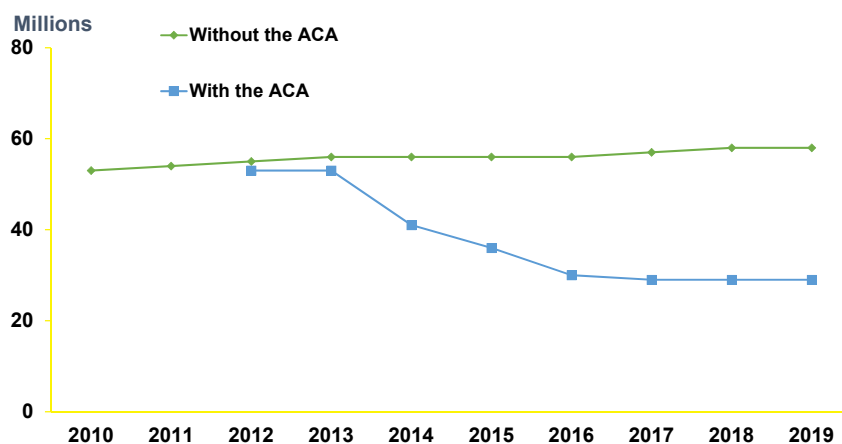


Source: S. R. Collins, M. Z. Gunja, and M. M. Doty, *How Well Does Insurance Coverage Protect Consumers from Health Care Costs? Findings from the Commonwealth Fund Biennial Health Insurance Survey, 2016*, The Commonwealth Fund, October 2017.

The Affordable Care Act has not solved the central problems:

- Millions are still uninsured
- Millions more are underinsured
- Costs continue to rise
- Micromanaging medical practice in an effort to contain costs (“value-based payment”)

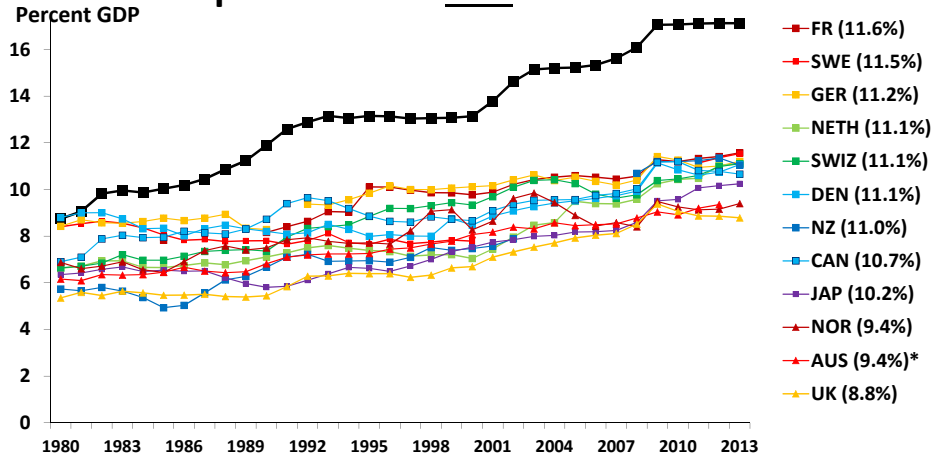
Millions are Now Covered, Millions More Will Remain Uninsured



Note: The uninsured include about 5 million undocumented immigrants.
Source: Congressional Budget Office

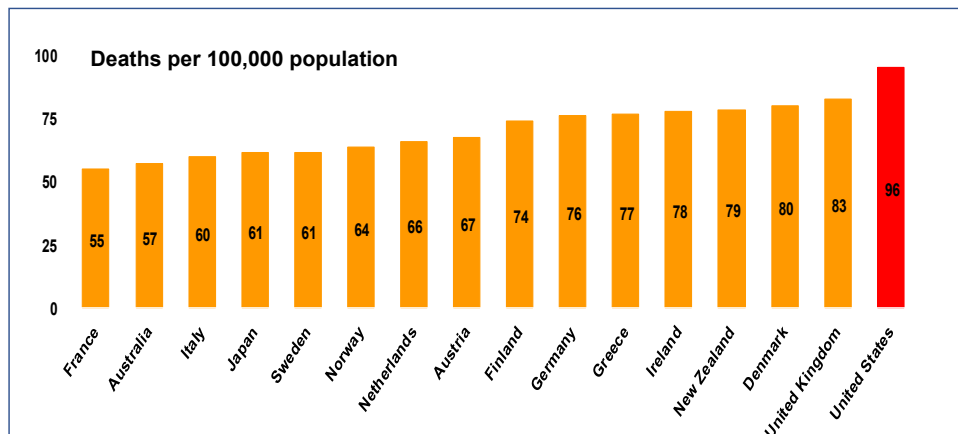
IT DOESN'T HAVE TO BE THIS WAY

Every other country covers all their citizens and spends about half what we do.



Source: OECD Health Data 2015.

We Aren't As Healthy as Others: Mortality Amenable to Health Care



Countries' age-standardized death rates before age 75; including ischemic heart disease, diabetes, stroke, and bacterial infections. Analysis of World Health Organization mortality files and CDC mortality data for U.S., 2006-2007.

Source: Adapted from E. Nolte and M. McKee, "Variations in Amenable Mortality—Trends in 16 High-Income Nations," *Health Policy*, published online Sept. 12, 2011.

WHAT MAKES THE DIFFERENCE?

In every one of these countries, government has a central role in:

- Overseeing and regulating the system.
- In many cases, funding it through the tax system.

Government Action Works in the US, Too

Our own experience with Federally-run Medicare program shows the beneficial effects of a government-funded and regulated system:

- Reliable, predictable financing
- Transparent decisionmaking
- Slower cost growth

The Atlantic

A Political Opening for Universal Health Care?

The winner in the fight between keeping Obamacare and rolling it back might be something else entirely.



The Public Route to Health Care Reform: Conyers' Expanded and Improved Medicare for All HR 676



- **Extend Medicare to cover everyone**
- **Comprehensive benefits, free choice of provider**
- **No cost-sharing (no deductibles, no co-pays)**
- **Public agency pays the bills**
- **Funded through progressive taxes**

The Public Route to Health Care Reform: Sanders' Medicare for All Act 2017



- Extend Medicare to everyone
- Comprehensive benefits, free choice of provider
- No cost-sharing except for selected medications
- Public agency pays the bills
- Four-year transition period -- children and age 55+, then 45+, then 35+ – Is this necessary?
- Public (tax) funding -- method not specified

Medicare's Software

18.9 Million Seniors Enrolled Within 11 Months

DHEW - SOCIAL SECURITY ADMINISTRATION	488-40-6969-A APPLICATION FOR ENROLLMENT in the Supplementary Medical Insurance Program Under the Social Security Act PLEASE READ THE ENCLOSED LEAFLET Harry S Truman Independence, Missouri	TO GET MEDICAL INSURANCE <input checked="" type="checkbox"/> YES CHECK
		The Federal Government will pay half the cost of this insurance. Your share of the cost (\$3) will be deducted from your monthly social security benefits.
		IF YOU DO NOT WANT THIS MEDICAL INSURANCE <input type="checkbox"/> NO CHECK
		SIGN HERE
		SIGNATURE OF WITNESS ADDRESS OF WITNESS

Do not write in the space above



Health Care Reform in New York State: *New York Health Act*

A5062/S3525



Passed in
2015, 2016,
& 2017

30 co-sponsors

- **A single State fund covers every resident**
- **No regressive insurance premiums**
- **No deductibles, no co-pays**
- **No financial barriers to receiving service**
- **Costs less than we're now spending!**

New York Health Act

Financing

- Federal Medicare, Medicaid, CHIP, ACA funds
- Progressive graduated payroll tax --
80% employer, 20% employee
- Graduated tax on non-payroll income
- NY Health pays Medicare Part B & Part D premiums
& local share of Medicaid

Bottom line: 6% tax on \$50,000 wages

Employer-based cost today: 11% of wages

New York Health Act

Benefits

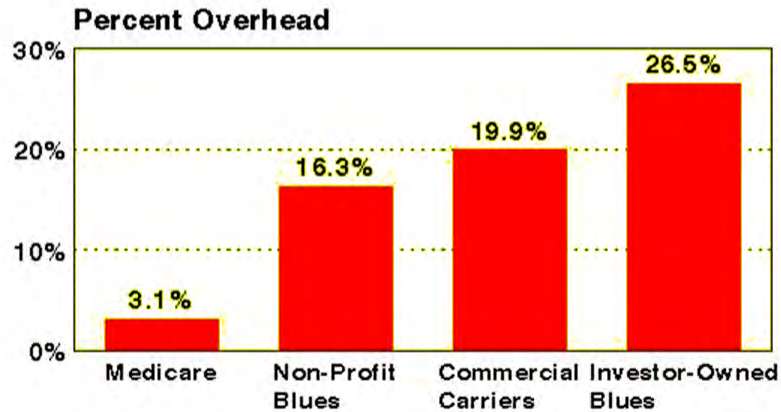
- Primary and preventive care
- Inpatient and outpatient hospital care
- Care coordinator to assist in navigating the system, receiving necessary care
- Prescription drugs
- Dental, vision, & hearing care
- Long-term care
- Free choice of doctor and hospital

Covering Everyone while Saving Money!

<u>Additional Costs</u>		<u>2019 \$B</u>
Covering the uninsured and poorly-insured	+1.4%	4.0
Elimination of cost-sharing	+3.9%	11.2
Covering long-term care	+7.0	20.0
Enhanced Medicare & Medicaid fees	+3.8%	10.8
<u>Savings</u>	Total Costs	+16.1% \$46.0
Reduced insurance administrative costs	-9.9%	-28.6
Reduced physician & hospital admin costs	-7.2%	-20.7
Bulk purchasing of drugs & devices	-5.7%	-16.3
Reduced fraud	-1.9%	- 5.4
	Total Savings	-24.7% -\$71.0
	Net Savings	- 9.6% - \$25

Source: Economic Analysis of the NY Health Act, Gerald Friedman, April 2015; Moss-Rodberg, 2016

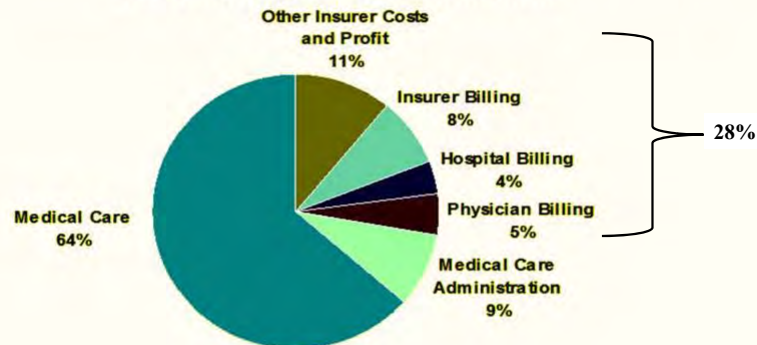
PRIVATE INSURERS' HIGH OVERHEAD RAISES COSTS, WASTES MONEY



Source: Schramm, Blue Cross Conversion, Abell Foundation, and CMS

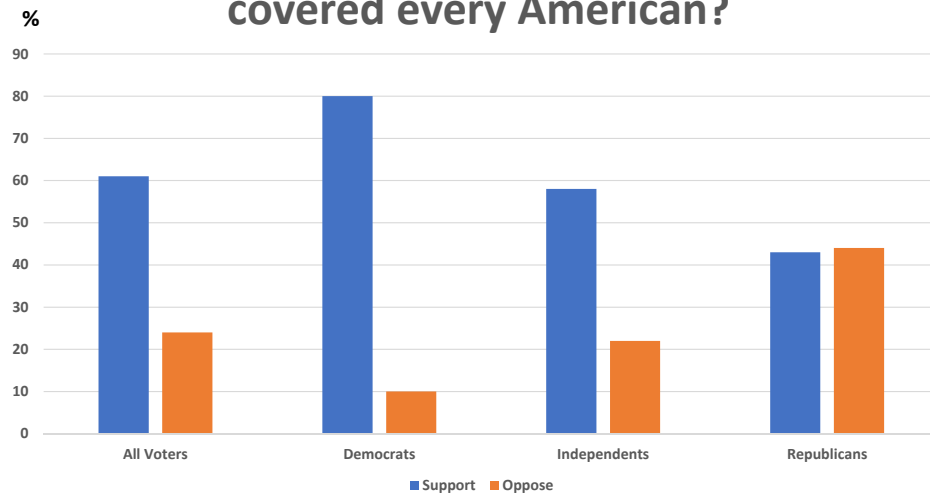
Billing and Insurance Overhead Consume Nearly 30 cents of Every Dollar

Allocation of Spending for Hospital and Physician Care Paid through Private Insurers



Source: James G. Kahn et al, The Cost of Health Insurance Administration in California: Estimates for Insurers, Physicians, and Hospitals, Health Affairs, 2005

Do you support creating a federally funded health insurance system that covered every American?



Economist/YouGov Poll April 2017

Questions?