

# Obamacare, Trumpcare, and Health Care – Facts And Fiction



Presented by

Indivisible Durango Health Care and Senior Issues Committee

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## Presenter

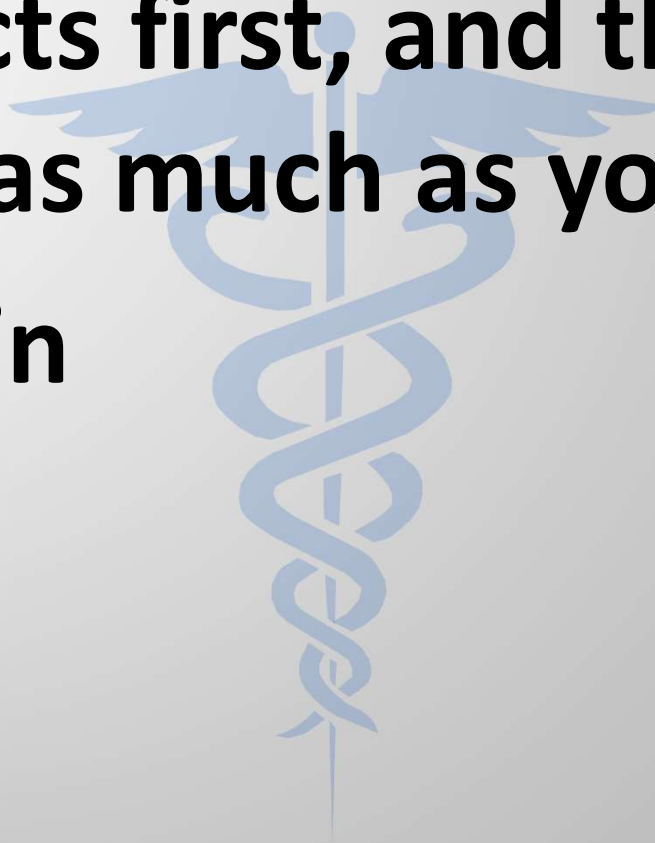
- ▣ Guinn Unger
- ▣ Email: [geunger@outlook.com](mailto:geunger@outlook.com)



## Quotation

**Get your facts first, and then you can distort 'em as much as you please.**

**--Mark Twain**



# Definitions

In order to understand the facts around Obamacare, Trumpcare (Republican bills), and other health care payment systems, it is necessary to understand what various terms really mean.



# Definitions

## Universal health care

Universal health care is any system where everyone receives the medical care that they need, regardless of who they might be. Medical care is typically available without regard to age, gender, religion, legal status, or ability to pay.

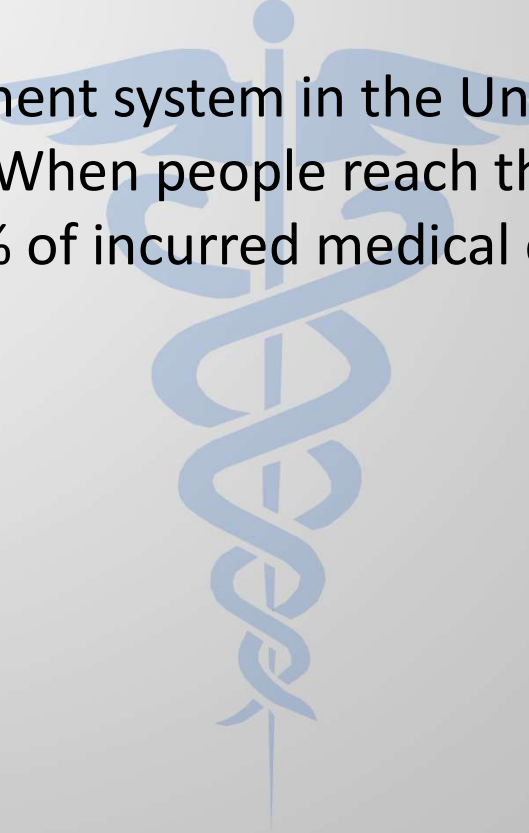
\*\*Universal health care is not a single system, it can be any type of system as long as it covers everyone.

Every developed country, **except the United States**, offers universal health care to its residents.

# Definitions

## Medicare

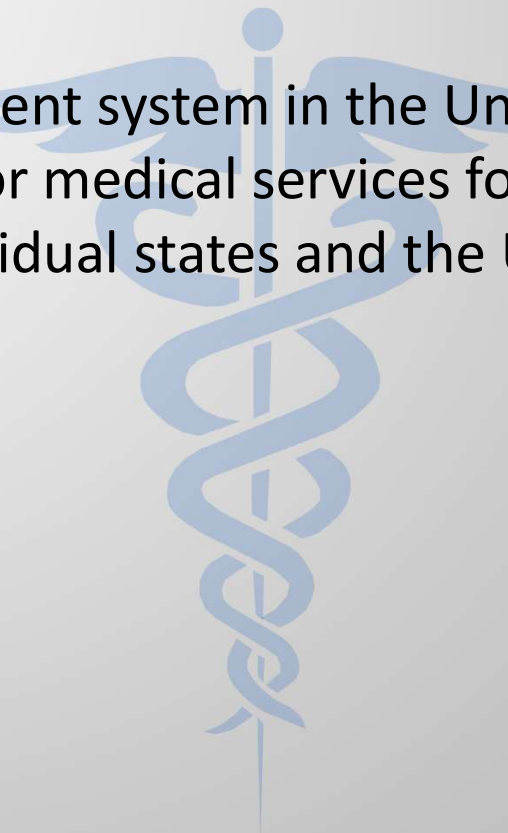
Medicare is a medical payment system in the United States supported primarily by payroll taxes. When people reach the age of 65, Medicare pays for approximately 80% of incurred medical expenses.

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# Definitions

## **Medicaid**

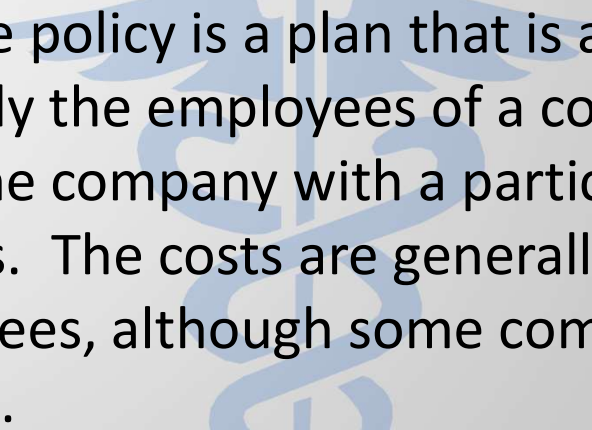
Medicaid is a medical payment system in the United States which is primarily intended to pay for medical services for low income patients. Medicaid is funded by individual states and the U.S. Federal government.

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# Definitions

## **Group Medical Insurance**

A group medical insurance policy is a plan that is available to members of a particular group, typically the employees of a company. A group policy is usually negotiated by the company with a particular insurance company on a yearly basis. The costs are generally split between the employer and the employees, although some companies may pay the entire insurance premium.

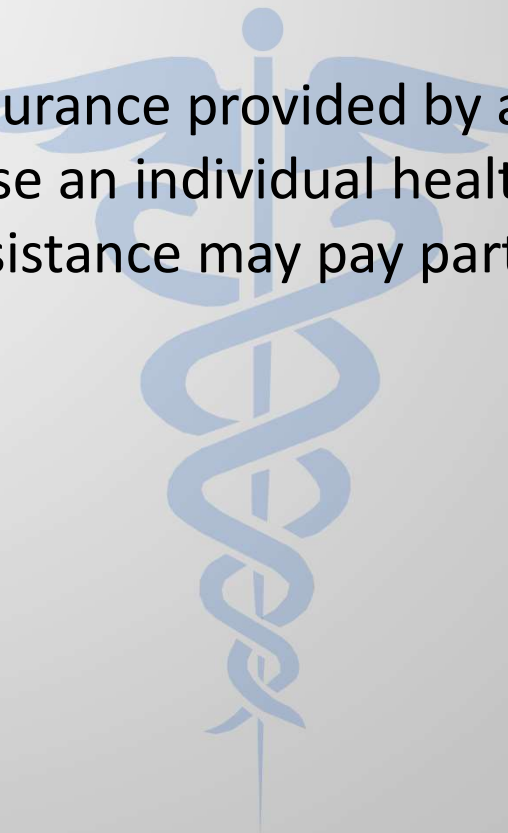
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# Definitions

## **Individual Medical Insurance**

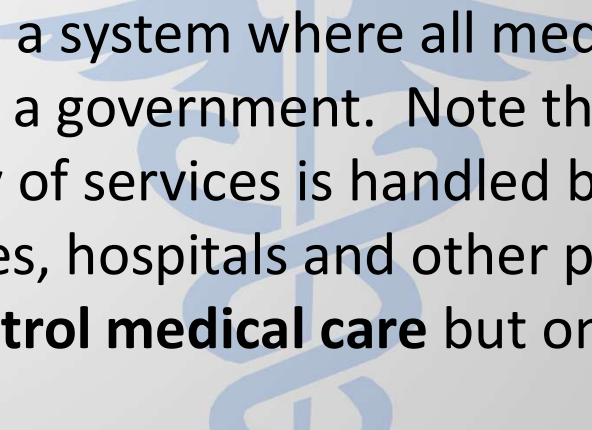
People who do not have insurance provided by a government entity or by their employer may purchase an individual health insurance policy. In some cases government assistance may pay part of the cost of the insurance.

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# Definitions

## Single payer health care

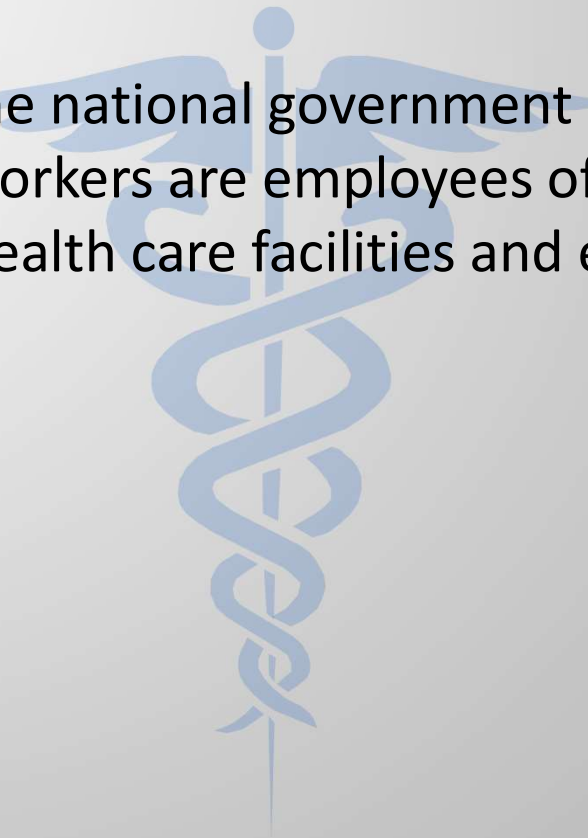
Single payer health care is a system where all medical expenses are paid for by one entity, typically a government. Note that in a single payer system the actual delivery of services is handled by private entities, including doctors' practices, hospitals and other providers. The government **does not control medical care** but only pays for approved services and equipment.

A faint, light blue watermark of a medical symbol, resembling a caduceus or a staff with wings and a snake, is centered in the background of the slide.

# Definitions

## **National Health System**

This is any system where the national government manages all health care. Typically, all health workers are employees of the government, and the government owns all health care facilities and equipment.



# Definitions

## **“Socialized Medicine”**

[In 1948 the] American Medical Association (AMA) launched a spirited attack against the [Truman national healthcare] bill, characterizing it as "socialized medicine," thereby linking socialism to pre-McCarthy-era fears of Communism in the public mind. The AMA called Truman White House staffers "followers of the Moscow party line." – Dr. George Lundberg

Source: <http://www.medscape.com/viewarticle/881433>

# Definitions

## Obamacare

The Affordable Care Act (ACA), also known as Obamacare, is a law which attempts to achieve the following:

- Make **individual insurance policies** available to more people
- Set standards for all health insurance policies
- Expand Medicaid (at the option of each state) to cover more low-income people
- Reduce the cost of health care

# Definitions

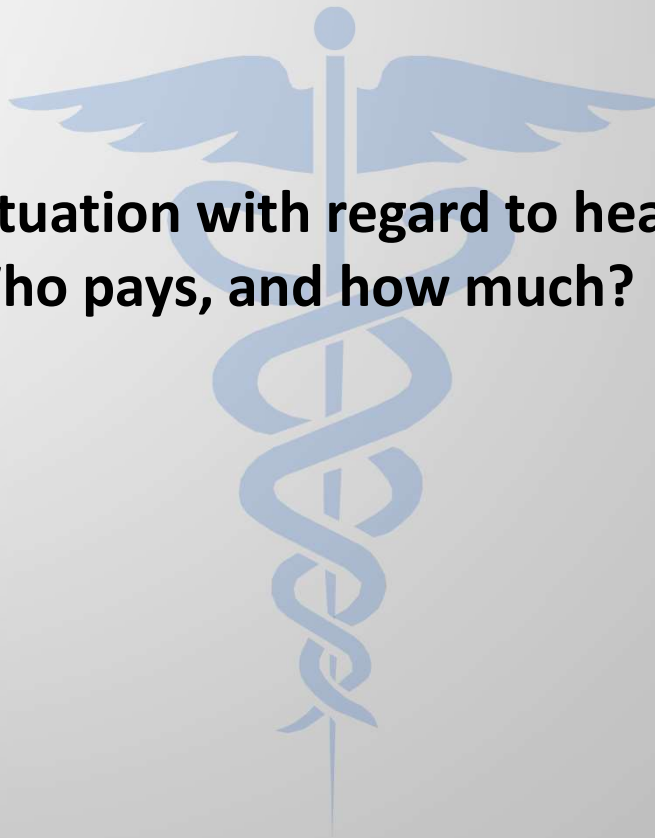
## Trumpcare

The American Health Care Act (AHCA), also known as Trumpcare, is a bill which has passed the US House of Representatives and attempts to achieve the following:

- Repeal and replace the ACA
- Cut Federal subsidies for health insurance
- Reduce insurance requirements to reduce cost
- Reduce funding for Medicaid

# Current Health Care Payment System

**What is the current situation with regard to health care payments in the United States? Who pays, and how much?**



# Spending

SOURCE: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group.

## Medical Spending by Source – 2015 (\$ billions)

<b>National Health Expenditures</b>	<b>\$3,205.6</b>
<b>Health Consumption Expenditures</b>	<b>3,050.8</b>
<b>Out of pocket</b>	<b>338.1</b>
<b>Health Insurance</b>	<b>2,384.5</b>
<b>Private Health Insurance</b>	<b>1,072.1</b>
<b>Group Insurance</b>	<b>948.9</b>
<b>Individual Insurance</b>	<b>123.2</b>
<b>Medicare</b>	<b>646.2</b>
<b>Medicaid</b>	<b>545.1</b>
<b>Federal</b>	<b>344.0</b>
<b>State and Local</b>	<b>201.1</b>
<b>Other Health Insurance Programs<sup>1</sup></b>	<b>121.1</b>
<b>Other Third Party Payers and Programs and Public Health Activity<sup>2</sup></b>	<b>328.2</b>
<b>Investment</b>	<b>154.7</b>

<sup>1</sup> Includes Children's Health Insurance Program (Titles XIX and XXI), Department of Defense, and Department of Veterans Affairs.

<sup>2</sup> Includes worksite health care, other private revenues, Indian Health Service, workers' compensation, general assistance, maternal and child health, vocational rehabilitation, other federal programs, Substance Abuse and Mental Health Services Administration, other state and local programs, and school health.



# Spending

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## Medical Spending by Source – 2015 (\$ billions)

<b>National Health Expenditures</b>	<b>\$3,205.6</b>	<b>100.00%</b>
<b>Health Consumption Expenditures</b>	<b>3,050.8</b>	<b>95.17%</b>
<b>Out of pocket</b>	<b>338.1</b>	<b>10.54%</b>
<b>Health Insurance</b>	<b>2,384.5</b>	<b>74.39%</b>
<b>Private Health Insurance</b>	<b>1,072.1</b>	<b>33.44%</b>
<b>Group Insurance</b>	<b>948.9</b>	<b>29.60%</b>
<b>Individual Insurance</b>	<b>123.2</b>	<b>3.84%</b>
<b>Medicare</b>	<b>646.2</b>	<b>20.16%</b>
<b>Medicaid</b>	<b>545.1</b>	<b>17.00%</b>
<b>Federal</b>	<b>344.0</b>	<b>10.73%</b>
<b>State and Local</b>	<b>201.1</b>	<b>6.27%</b>
<b>Other Health Insurance Programs<sup>1</sup></b>	<b>121.1</b>	<b>3.78%</b>
<b>Other Third Party Payers and Programs and Public Health Activity<sup>2</sup></b>	<b>328.2</b>	<b>10.24%</b>
<b>Investment</b>	<b>154.7</b>	<b>4.83%</b>

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Health Consumption Expenditures	3,050.8	95.17%
Investment	154.7	4.83%



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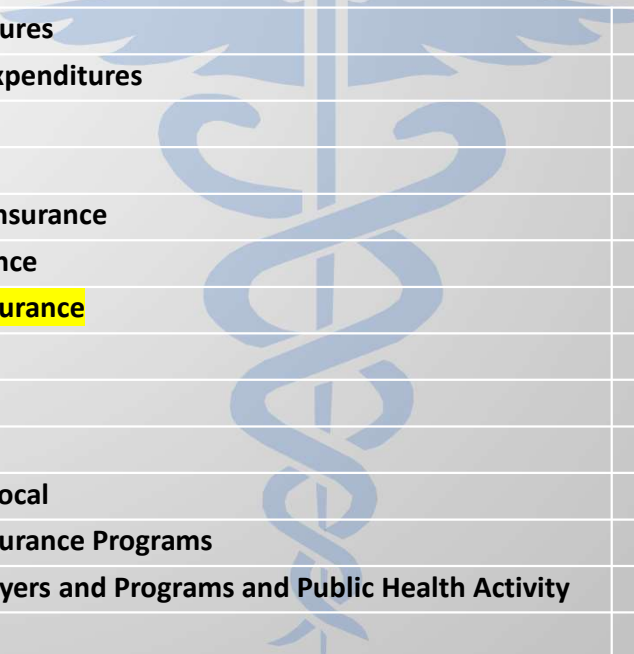
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# Spending

SOURCE: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group.

## Obamacare and Trumpcare deal primarily with Medicaid and Individual Insurance (< 20% of total spending)



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# Spending

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• Investment	154.7

# Health Care Spending

## The Real Problem!

Neither Obamacare nor Trumpcare addresses the real problem. We simply spend too much for health care! **Our health care spending is completely and utterly out of control!**



# Health Care Spending

## **We Spend too Much on Health Care!**

In 2015, we in the United States spent over \$3.2 trillion dollars on health care. To give you an idea of how much that really is, think about this.

**If we reduced the national debt by \$3.2 trillion dollars per year, we could completely eliminate the national debt in just over 6 years!**

**That's a lot of money.**

\$3.2 trillion dollars translates to \$9,990 for every person in the US.

That's NOT \$9,990 per SICK person, but \$9,990 for every man, woman, and child! (Or about \$40,000 for the average family of 4!!)



# Health Care Spending

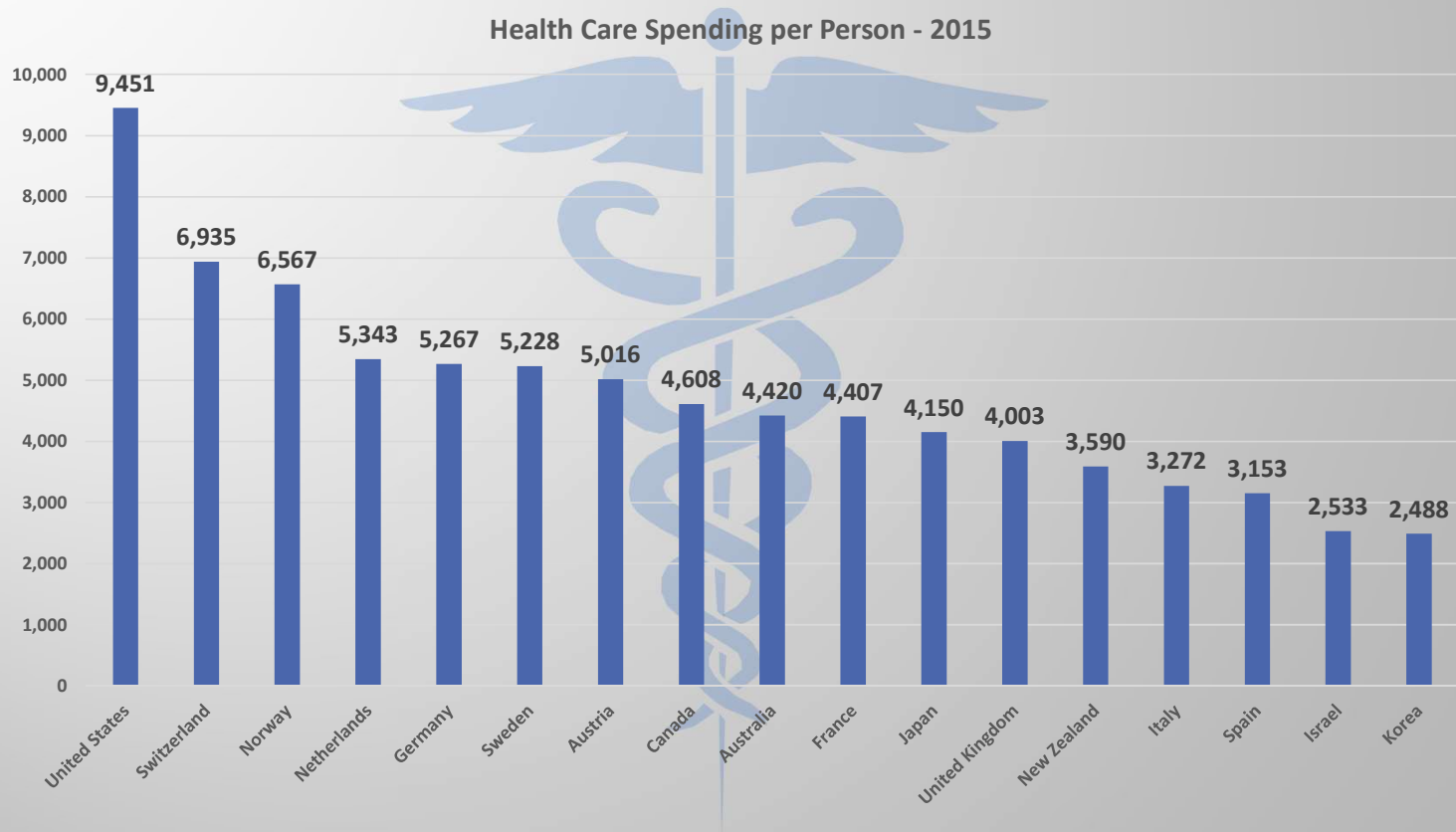
**How do you insure something that is incredibly expensive at a price that people can afford? Only with massive subsidies.**



# Health Care Spending

SOURCE: The Organization for Economic Cooperation and Development.

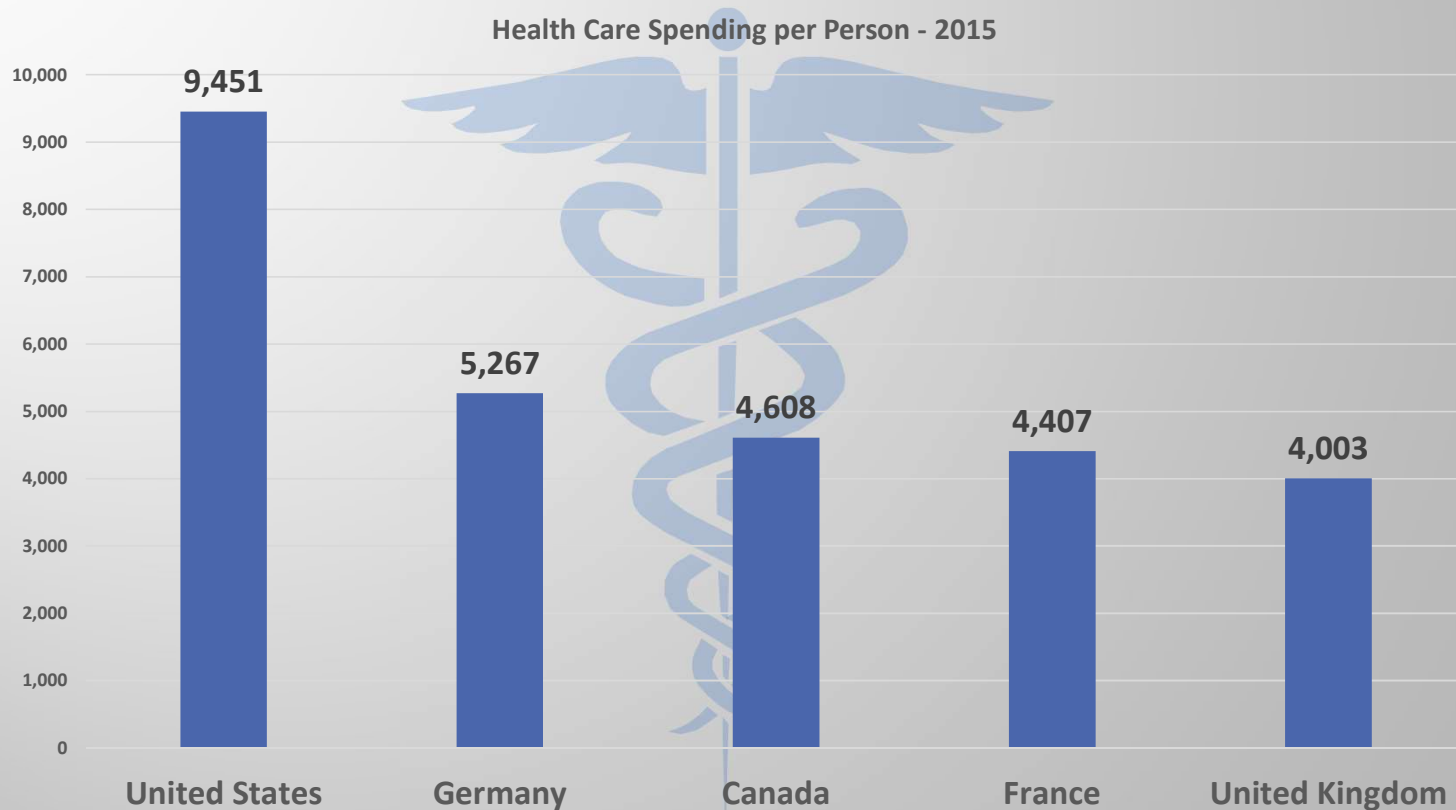
How much do other countries spend per person on health care?



# Health Care Spending

SOURCE: The Organization for Economic Cooperation and Development.

**How much do other countries spend per person on health care?**



# Health Care Outcomes

SOURCE: nbcnews.com – June 16, 2014

## Dead Last Again!

The latest look at the U.S. health care system compared to other rich countries shows — yet again — that the United States comes in dead last. The nonprofit Commonwealth Fund has been publishing its report — based on data from the World Health Organization, the Organization for Economic Cooperation and Development and its own research — for a decade.

**“Among the 11 nations studied in this report — Australia, Canada, France, Germany, the Netherlands, New Zealand, Norway, Sweden, Switzerland, the United Kingdom, and the United States — the U.S. ranks last, as it did in the 2010, 2007, 2006, and 2004 editions,” the report reads.**

# Health Care Problems

## Other Current Problems

- 28.5 million people still do not have medical insurance as of 2015
- Millions more are underinsured
- Trumpcare would result in an additional 23 million people without insurance by 2026 according to the non-partisan Congressional Budget Office
- There are approximately 700,000 medical bankruptcies each year

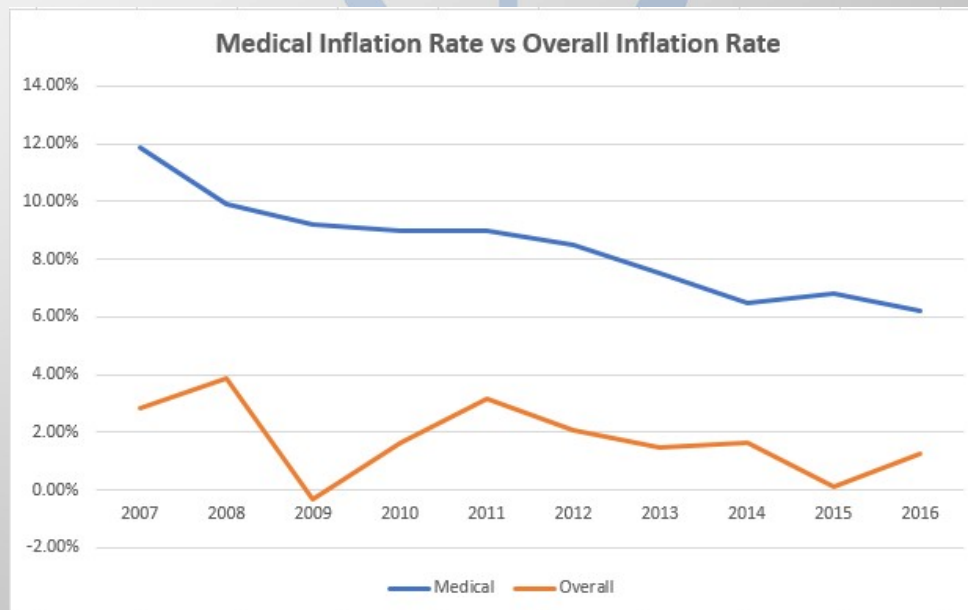


# Health Care Problems

SOURCE: PWC and inflation.eu

## Other Current Problems

- Medical costs continue to rise significantly faster than the inflation rate; the percentage of GDP continues to rise; this cannot continue indefinitely unless we plan to spend 100% of everything we produce on medical care!



# Health Care Problems

## Other Current Problems

- Americans pay twice as much (or more) for the same drugs
- 20,000 Americans die each year because they cannot afford the medical care that would save their lives



# Health Care Problems

Source: 2015 Equilar 200 Highest Paid CEO Rankings in partnership with the New York Times [www.nytimes.com](http://www.nytimes.com)

## Other Current Problems

- Executive compensation in the medical insurance industry is excessive



Joseph Swedish  
CEO Anthem  
**\$13.6 Million**



David Cordani  
CEO Cigna  
**\$17.3 million**



Leonard S. Schleifer  
CEO Regeneron Pharma.  
**\$47.5 million**

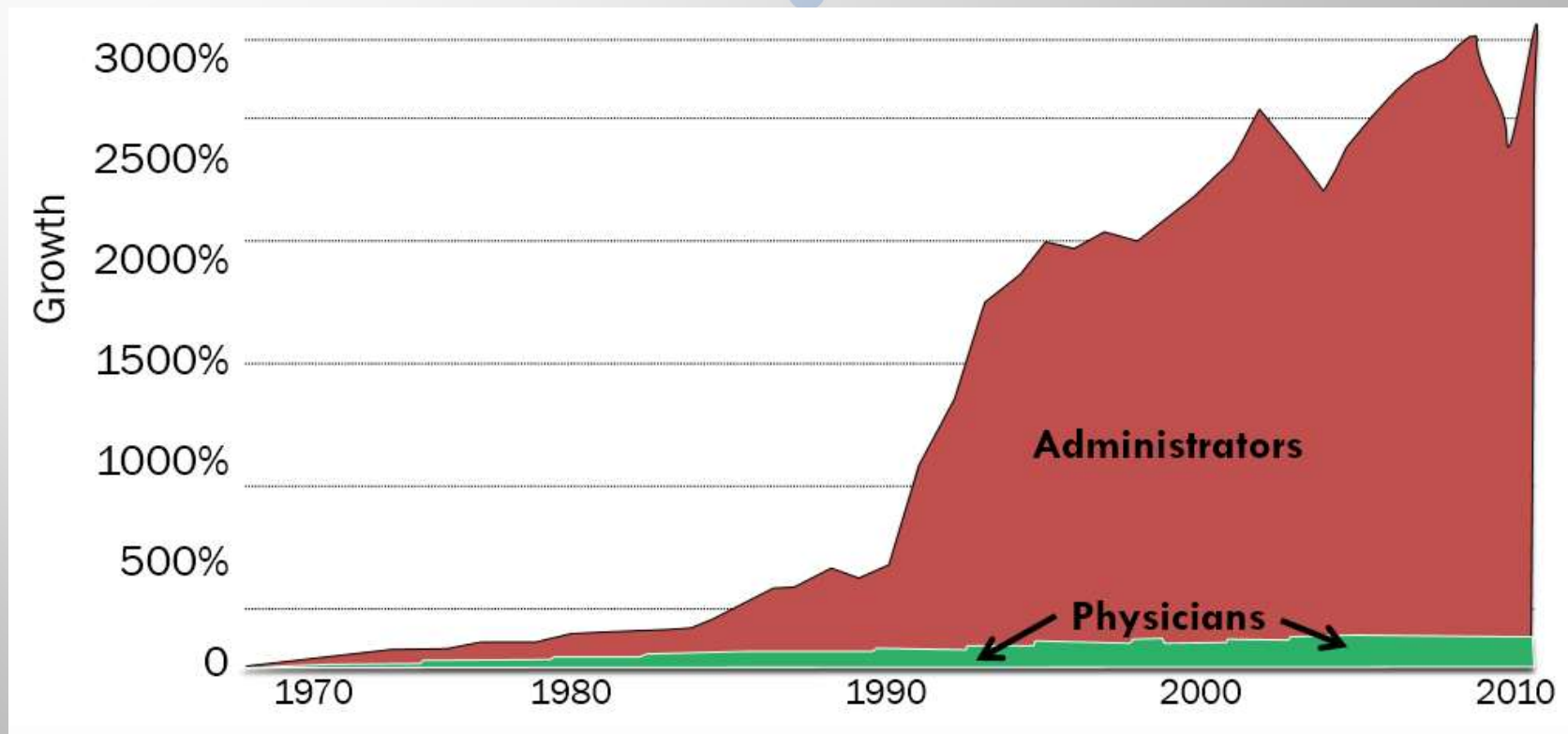


# Health Care Problems

Source: Bureau of Labor Statistics; NCHS;  
Himmelstein/Woolhandler analysis of CPS

## Other Current Problems

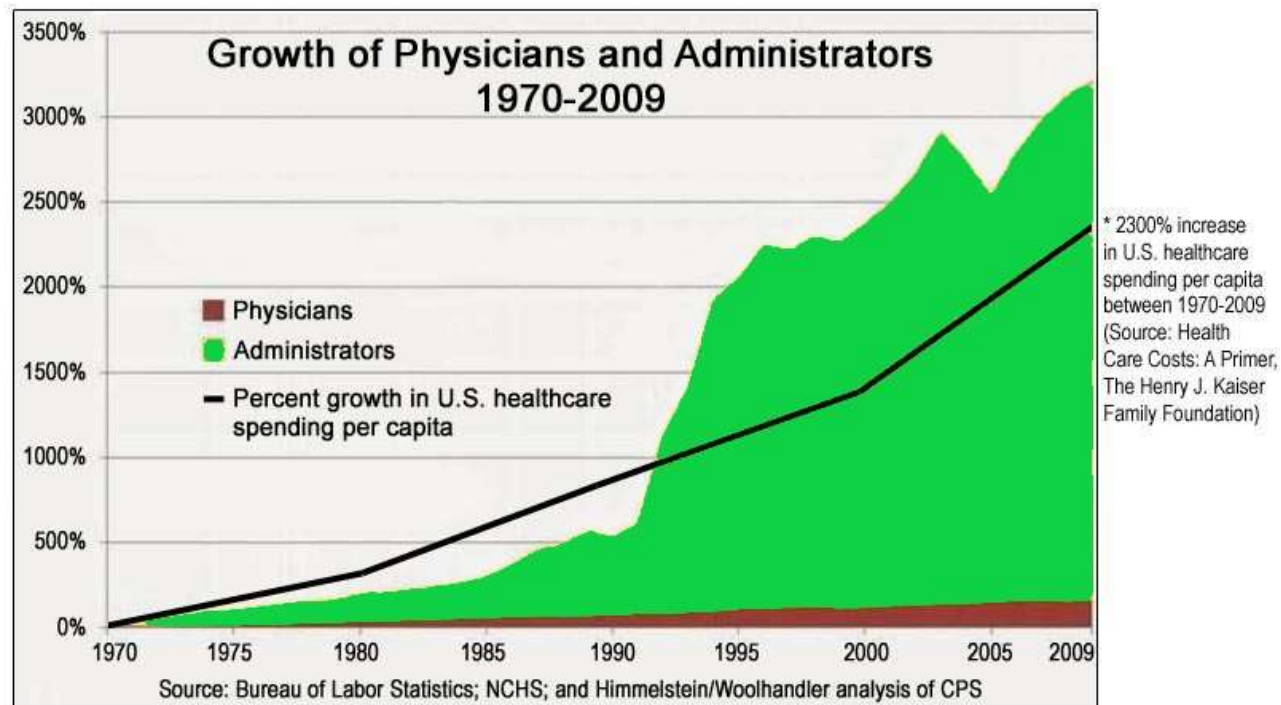
Administrative costs are enormous and growing!



# Health Care Problems

## Other Current Problems

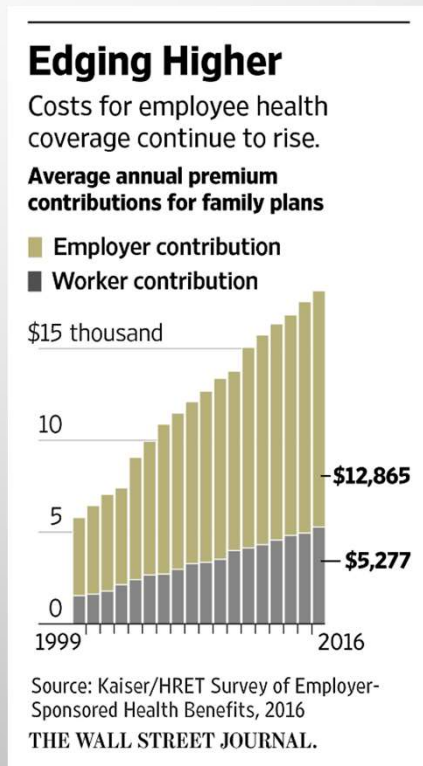
Administrative costs are enormous and growing!



# Health Care Problems

## Other Current Problems

- Group plan costs are rising rapidly



**Between 1999 and 2016, the employer's share of employee health coverage essentially doubled. The employee's share essentially tripled. There is no indication that this trend will not continue indefinitely.**

# Health Care Problems

SOURCE: OpenSecrets.org

## Other Current Problems

- Huge sums are spent on lobbying

### Lobbying by Industry – 2015 – 1 thru 10

Industry	Total
Pharmaceuticals/Health Products	\$240,218,911
Insurance	\$157,354,782
Oil & Gas	\$129,876,004
Business Associations	\$128,808,164
Electronics Mfg & Equip	\$121,948,480
Electric Utilities	\$117,910,016
Misc Manufacturing & Distributing	\$105,904,266
Securities & Investment	\$98,133,863
Hospitals/Nursing Homes	\$93,497,884
Telecom Services	\$91,081,758

# Health Care Outcomes

**Why, why, why?**

Why do we tolerate a situation where we spend twice as much per person on health care but have some of the worst results among developed countries? And what can we do to change this?

**One way to start is to look at how other developed countries pay for health care.**



# Health Care Payment Systems

## 3 Basic Systems

There are 3 general ways in which other developed countries pay for health care.

1. **Government-controlled health care – UK, Italy, Spain, Hong Kong**
2. **Mandated and regulated private insurance – Germany, Japan, Belgium, Switzerland**
3. **Single-payer – Canada, Australia, Taiwan, South Korea**

# Health Care Payment Systems

## Government-controlled Health Care System

- The government typically owns the hospitals, clinics, equipment, etc.
- Health care professionals (doctors, nurses, technicians, etc.) are employed and paid by the government
- Everyone is covered
- Low costs per capita because the government controls what doctors do
- The UK system, in particular, gets very high reviews from the citizens





# Health Care Payment Systems

## Mandated and Highly Regulated Insurance System

- Providers and insurance companies are private entities
- Everyone must purchase health insurance
- Insurance costs are typically split between the employer and employee
- Insurance is tightly regulated
- Costs are held down by having a large pool of insured and by limiting profits for the insurance companies





# Health Care Payment Systems

## Single-Payer System

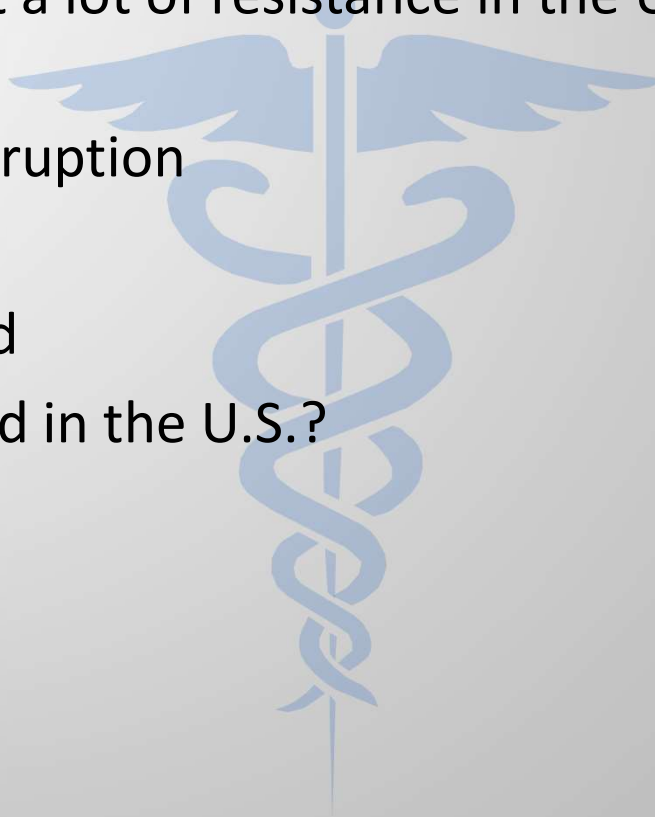
- Providers are private entities
- Government pays all or almost all health care costs
- Everyone is covered
- Funding is typically provided through taxes paid by employers and employees; some other taxes may also be collected
- Private health insurance companies typically provide only specialty policies



# Health Care Payment Options – Pros/Cons

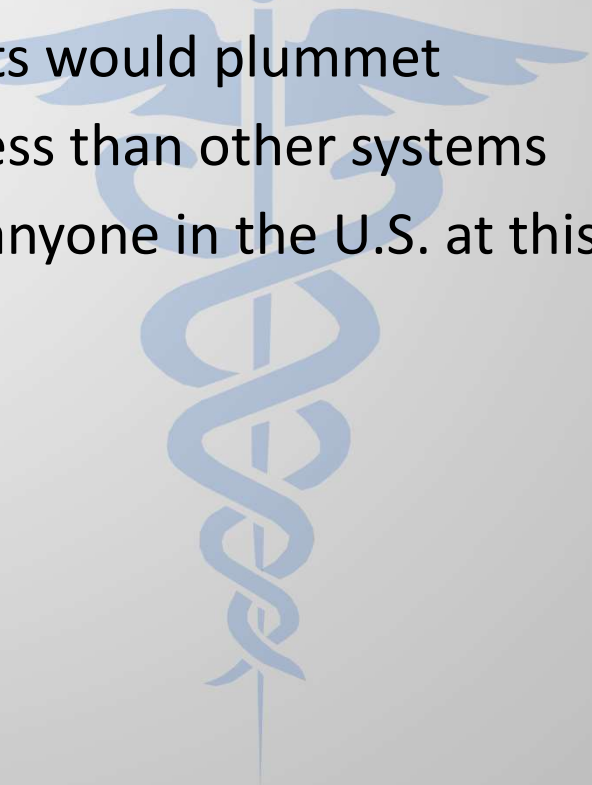
## **Government Controlled Health Care**

- Would probably meet a lot of resistance in the U.S. (“socialized medicine”)
- Major change and disruption
- Covers everyone
- No insurance required
- Unlikely to be adopted in the U.S.?



# Health Care Payment Options – Pros/Cons

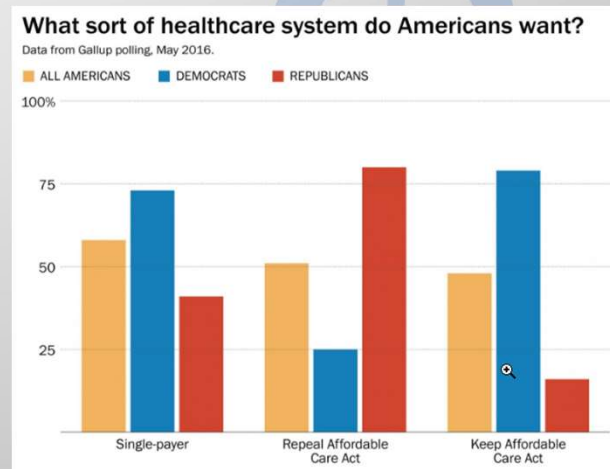
## **Mandated and Highly Regulated Insurance System**

- Individual Mandate in ACA met strong resistance
  - Insurance industry profits would plummet
  - Administrative savings less than other systems
  - Not strongly backed by anyone in the U.S. at this point
- 

# Health Care Payment Options – Pros/Cons

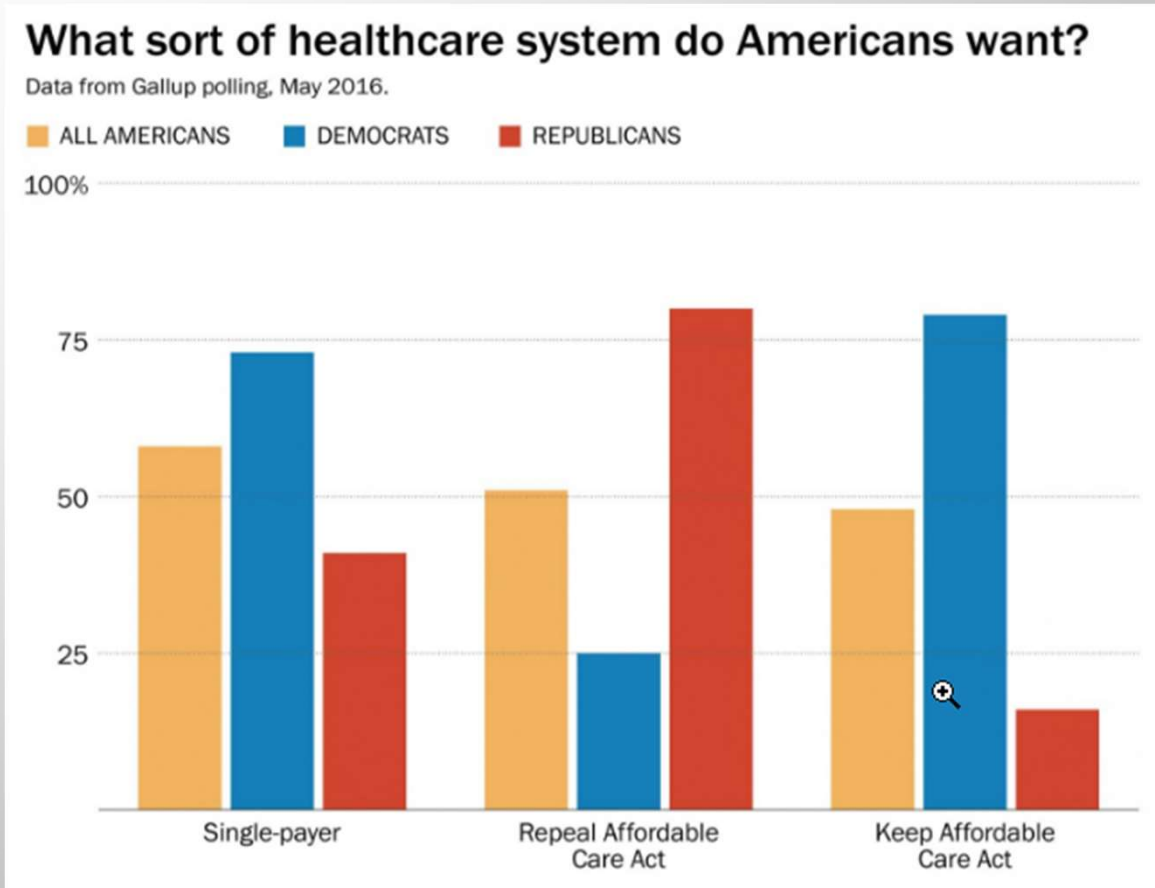
## Single-Payer System

- Could be an expansion of Medicare with only some disruption
- Very simple plan
- No narrow networks; almost all providers participate
- Health insurance industry would pretty much disappear
- A majority of Americans already support single-payer




# Health Care Payment Options – Pros/Cons

## Single-Payer System



# Health Care Savings

## **How Are Costs Reduced under Single-Payer?**

- Elimination of most administrative expenses for providers
  - Elimination of medical insurance company profits
  - Prevention programs for all
  - Reduced drug costs
  - Elimination of unnecessary services
  - Increased efficiency
  - Reduction in fraud
- 

# Health Care Current Status

## **What is the current status of single-payer?**

- HR 676 has been introduced in the House of Representatives every year since 2003, but it now has more sponsors than ever before
- Bernie Sanders has introduced a single-payer bill in the Senate with many co-sponsors
- Public support for single-payer is growing
- California is making major progress and may pass a bill next session that would establish a single-payer system
- A single-payer bill has passed in one house of the New York legislature

# Health Care Current Status

**What would a single payer system look like in the U.S.?**

**Whatever we want it to!**





# Health Care Current Status

## Who opposes single-payer?

- Health insurance companies (imagine that!)
- Big pharmaceutical companies
- Hospital companies

## Why?



## Health Care for All

Access to health care changes everything.



Health Care for All

What can you do?

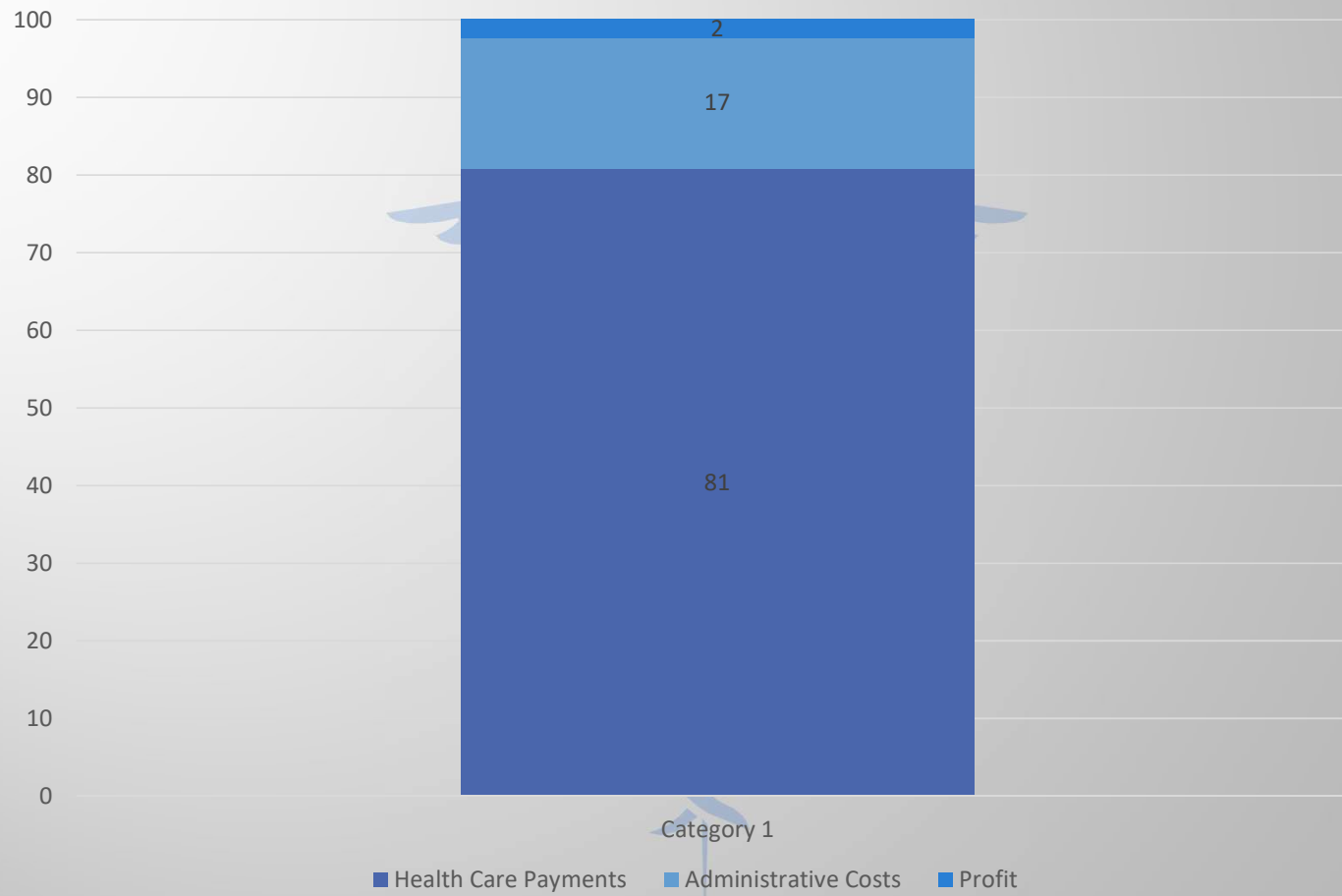


# Health Care Questions

**Questions?**



# UnitedHealthcare

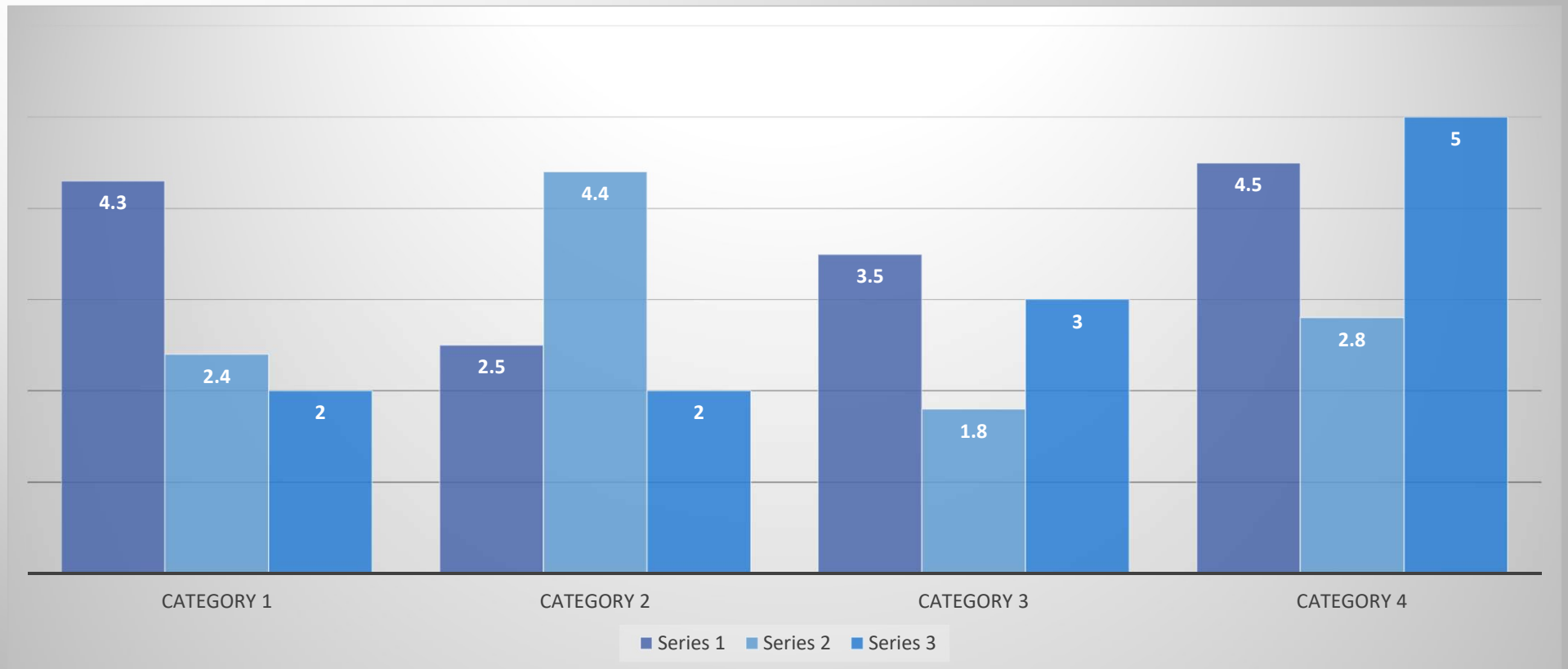


# Title and Content Layout with List

- ▣ First level
  - Second level
    - ▣ Third level
      - Fourth level
      - Fifth level



# Title and Content Layout with Chart



## Two Content Layout with Table

	Group A	Group B
Class 1	82	85
Class 2	76	88
Class 3	84	90

- ▣ First bullet point here
- ▣ Second bullet point here
- ▣ Third bullet point here



## Two Content Layout with SmartArt

- ▣ First bullet point here
- ▣ Second bullet point here
- ▣ Third bullet point here

### Group A

- Task 1
- Task 2

### Group B

- Task 1
- Task 2

### Group C

- Task 1