

Universal Health Care

What it is, what it isn't, and why the politicians don't want you to have it.

By Jack E. Lohman

Single-payer Health Coverage – Myths, Benefits, Comparisons and Arguments

Is Universal Health Care socialized medicine?

No. Socialized medicine is where all physicians and all hospital personnel are on the payroll of the government. Our most popular socialized medicine is provided by the Veterans Administration and armed forces hospitals (Naval Hospital in Bethesda, Brooke Army Hospital in San Antonio, etc). This is some of the best care in the world and we'd all be quite satisfied with it, but that is not the universal health care being proposed.

Universal health care is essentially a Medicare-for-all system that -- instead of having the 1500 for-profit insurance companies consuming 30% of the costs, we'd have just one health care administrator handling all of the paperwork at a cost of about 16%. All hospitals and physicians would remain independent. Patients would remain free to select their own physician and hospital, just as they do today in the Medicare system. Services that are not covered by Medicare, such as cosmetic surgery, etc, can be purchased on the open market.

How does the proposed Universal system compare to Canada's Medicare?

They compare closely, though the Canadian system is not perfect. It squeezes its funding a bit too tightly and longer wait times for elective procedures have resulted (though wait times for urgent care are essentially the same as in the US). By increasing their expenditures by 10% (to 11% of GDP) they could eliminate virtually all wait times.

What are the alternatives to Universal Health Care?

If left to the business world it will be a privatized system shared by Health Savings Accounts (HSAs) and for-profit HMOs. Clearly, business leaders will not allow the privatized system that we know today to continue with its annual costs increasing at five times the rate of inflation. Unfortunately, only the young and healthy will select HSAs. But as people age and/or develop illnesses they will be forced to convert to the HMO systems (which ultimately will be the only commercial alternative).

What are the benefits of Universal Health Care?

Costs: The US spends 15% of Gross National Product (GDP) on health care compared to Canada's 10%. While we pay 50% more than all universal systems in other industrialized countries, the US system unfortunately is ranked 37th in effectiveness by the World Trade Organization.

Coverage: For that 10% of GDP Canada covers 100% of its citizenry while the US spends 50% more and covers only 85%. Over 45 million Americans are totally without health care coverage and another 50 million are under-insured. The US is one of only two industrialized countries without a universal system; the other is South Africa.

Portability: When people change jobs or are laid off by their employer, they do not lose their health care coverage. It stays with them and they do not have to worry about being denied by a new employer's plan because of a pre-existing disease.

Effectiveness: Canada's system has a 35% lower infant mortality rate (because mothers are not dissuaded from pre-natal care) and its citizen's life expectancy is two years longer than Americans. What's not to like about that? The same is true when comparing our system to all of the other universal systems in the world, even those in the socialized medicine category (i.e., the UK).

Provider Selection: Patients have the freedom to select any physician and any hospital in Canada, just as our single-payer system would allow.

Who would pay for the system?

The same people who are paying for it today: the public. We pay in deductibles and co-pays and, more importantly, when employers add their health care costs to the price of their product and we pay at the cash register. But in the process we are driving manufacturing and jobs out of the country as companies cannot compete with imports whose manufacturers do not have to add health care costs to the price of their product (which means all other countries). Look at the 60,000 jobs lost already at GM and Ford. They now make more cars in Ontario than in Detroit. Businesses should not be burdened with a cost that (a) makes them uncompetitive and (b) is going to be passed on to the public anyway. We also fund the medical bankruptcies that result.

What's wrong with the current free-market system?

Free-market means for-profit, and profits are too often put ahead of quality patient care. HMO and insurance company shareholders demand a return on their investment, and that too often means denying care to patients in need. Corporate medical providers make much of their profits not on the services they provide, but on the services they were paid to provide but don't. Privatization makes sense in a lot of industries, but not in the providing of health care, police and fire protection, or other services that can be monopolized.

Why can't the patients control this?

Most patients go to the doctor because they are hurting, fear death, or are concerned about a sick child. They typically do not question the tests or treatments recommended by their physician. They are simply not knowledgeable about the intricacies of medicine, and few rely on self-treatment.

What's wrong with HSAs?

At first glance they are great, but they are only effective for the young and healthy. And because they discourage the spending of savings-account money on preventative health care or when real care is needed, increased sicknesses will result. This ultimately will drive up the costs for all.

What's wrong with HMOs?

The same thing that's wrong with the free-market system. They too often make their money by not providing care they were paid to provide. When businesses drop the expensive plans and HMOs are all that are left, you can be assured that schedules will tighten and the same wait times we criticize in Canada will become commonplace here.

How do Canadians feel about their system?

Over 90% prefer their system over the US free-market system. While the moneyed interests both here and in Canada are doing everything they can to weaken their system even further, its Parliament would face anarchy if it tried to do away with the system. However, as the for-profit interests succeed in buying off the physicians (by paying them more), and further erode the turnaround time, the special interests are counting on a swing in public opinion. They are not dummies.

Do Canadian physicians like Medicare?

Most like it, though some have migrated to the bigger bucks south of the border. But in many cases they didn't like what they saw and the flow has reversed. There are now more physicians returning to Canada than are moving south. Salaries are capped at \$400,000 in Canada but are unlimited in the United States.

Why do some US physicians refuse Medicare patients?

Because they can make more money on private-pay patients, sometimes triple and quadruple the amount, and if they have already built their patient base it becomes more profitable to avoid Medicare. Physicians should be paid extremely well, even more than lawyers and executives. But some are making several million dollars per year by overcharging and over-using the system. That will be somewhat controlled under a single-payer plan.

How do US physicians feel about a Medicare-for-all system?

The majority of US physicians would prefer a fairly-reimbursed universal health care system over the one we have today. Medicare sometimes reimburses at lower rates because they know that physicians and hospital will shift the costs to private-pay patients. With only one (fair) universal plan that would not happen.

Why are so many patients coming to the states for treatment?

They aren't, but the for-profit interests will not let up on promoting that myth. Some patients are already here when they develop a need for care. Others are impatient and can afford the trip south. But studies of the hospitals near the border show that in the most extreme case, the hospital has admitted only 60 patients per year. That's hardly a landslide, but if Canada would properly fund its system even those trips south would disappear.

Under a universal plan, will there be overuse?

Some, though mostly from the 45 million who have not had coverage and are now catching up. But even still, the overall costs will be less to cover 100% of the people than the 85% we are covering today. Most people do not relish the idea of sitting in a physician's waiting room, and usually won't do this unnecessarily.

Will physicians be told how to practice medicine?

No more than they are told today by private insurance companies. Physicians routinely have to get permission before they can proceed with a test, prescribe certain medicines, or perform certain surgeries. That will not change under Medicare.

Quality of Care

Quality would be improved because it would be a single-tiered system and would not favor the rich or the poor. All care would be identical and good, otherwise it would not be acceptable to the public. And because physicians and hospitals remain independent they still have to retain a good reputation to survive. The single-payer system would also enhance prevention and further help to reduce costs.

National Medical Database

Currently that is impossible because private insurance companies “do their own thing” and use different storage programs. There is no standard. A universal system will allow the coalescing of a patient’s records into a single database that can be accessed by the patient’s current physician. This also vastly expands the ability to do research and further reduce disease.

So why hasn’t Congress or state politicians passed a universal health care system?

Follow the money. The for-profit health care interests -- which includes the highly profitable pharmaceutical industry -- gives over \$100 million per year in campaign contributions, all to keep the for-profit system just as it is. And they spend gobs more spreading lies about the Canadian system to dissuade Americans from even considering it. Money talks.

So we have some choices.

- Health care can be either a social service or a market commodity.
- It can either be Medicare-for-all or HMOs-for-all (which will be ultimately demanded by corporate consumers and the for-profit corporate practices of medicine.)
- We can have physicians running their own medical practices, or have them run by corporate MBAs and HMOs.

Resources:

A Universal Health Care Synopsis By Dr. Gordon Schiff: <http://www.pnhp.org/facts/quality.pdf>

An extensive article by Dr. John Geyman refuting the myths of the single payer plan: http://pnhp.org/facts/myths_memes.pdf

A very informative slideshow of the program: <http://tinyurl.com/hawno>

And a look at the myths and facts of the single-payer system: <http://tinyurl.com/zaqvl>

Please scan the entire physician-supported site at www.pnhp.org

And here’s just one of many grassroots groups in Canada than have formed to keep their system from going private: <http://www.savemedicare.com/>

But don’t miss this at <http://tinyurl.com/zl7df>. It describes the \$1.6 billion pay package of United-Health Group’s CEO, Dr. William McGuire. And you wonder why health care costs are increasing at 15% per year? That is patient money that will not go to patient care.

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5/1/06 - This document can be found on the web at www.WiCleanElections.org/SinglePayerMyths.pdf