Universal Health Care:
A Consumer's View

April 8, 2017

This paper discusses health care in the United States, as of April 2017. It also makes some comparisons of American health care programs with other countries. Bear in mind it is written from that of a consumer and a neophyte on America's arcane health care system.

First, let's make certain we are on the same page with the definition of Universal Health Care (UHC), (also called Universal Coverage or National Coverage). According to the Google dictionary, UHC provides health care and financial protection to all citizens of a particular country.[1]

Because of the complexity of assimilating information about national health care, some of the statistics (and charts) in this article rely on studies conducted earlier than 2017.

Nonetheless, the overall data are close to the mark, given a time lag, inflation, and increasing cost for health care. Plus, the relative positions of the nations on the comparison charts are accurate, perhaps with a nation moving up or down a few positions on the charts.

It is also important to understand the differences between three kinds of UHC. The next section is quoted directly from the source cited in endnote [2]. The comments within the brackets are those of the writer.

Types of UHC

- **Single Payer:** The government provides insurance for all residents (or citizens) and pays all health care expenses except for co-pays and coinsurance. Providers may be public, private, or a combination of both.

- **Two-Tier:** The government provides or mandates catastrophic or minimum insurance coverage for all residents (or citizens), while allowing the purchase of additional voluntary insurance or fee-for service care when desired.

- **Insurance Mandate:** The government mandates that all citizens purchase insurance, whether from private, public, or non-profit insurers. In some cases, the insurer list is quite restrictive, while in others a healthy private market for insurance is simply regulated and standardized by the government. In this kind of system, insurers are barred from rejecting sick individuals, and individuals are required to purchase insurance in order to prevent typical health care market failures from arising. [The United States uses the insurance mandate, although not all citizens may have purchased insurance. If not, and in theory, they can be penalized, although low-income people can be subsidized by the government to avoid penalty. The idea of this approach was to have all citizens on a health care system: Thus universal health care.]

Private and Public Plans

Two other definitions will be useful during this discussion:

[1] Courtesy of Google.
[2] https://truecostblog.com/2009/08/09/countries-with-universal-healthcare-by-date/

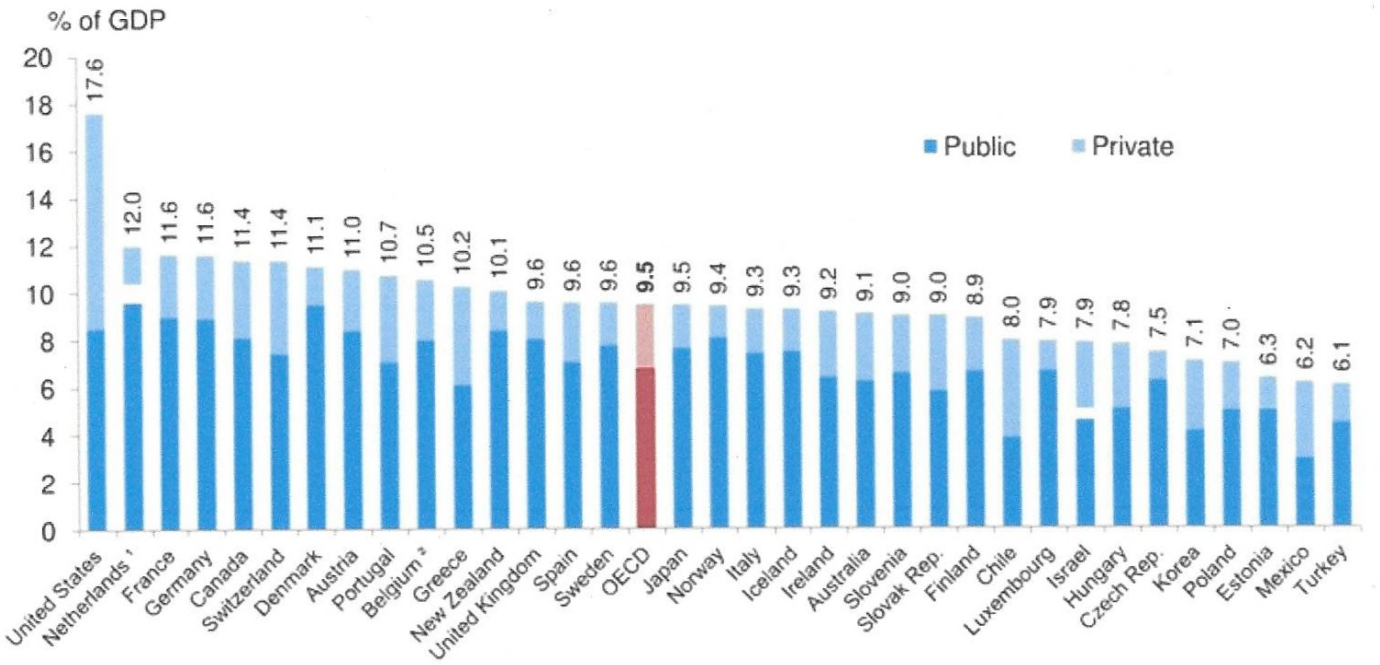
- **Private insurance plans:** Private health insurance is offered through employers, other organizations, or an individual. While self-employed, I paid for my private plan to a health care insurance company.

- **Public insurance plans:** A government supports these plans. For examples: Medicare and Medicaid. I am now on Medicare, an American godsend for retired people.

Paying to stay Healthy and above the Topsoil

How much does it cost in the United States to provide health care for its citizens? According to cms.gov, $9,990 per person annually.[3] In most studies, this figure puts America at the top of the list for health care expense. (Some studies show Norway as the most expensive).

Figure 1 compares health care expenditures as a percentage of Gross Domestic Product (GDP) among several countries.[4]



OECD: Organization for Co-operation and Development average.
The data in Figure 1 varies slightly, based on the source and study. As well, the relative positions of the countries may vary slightly. However, the general picture is accurate and reflective of these studies.

Figure 1. Health care as a percentage of Gross Domestic Product (GDP).

Why?

Why is America's system almost twice as expensive as the OECD average? Here are the major reasons:

[3] https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/downloads/highlights.pdf.
[4] Ibid.

1. Supporters claim the United States has the best health care system in the world. (You get what you pay for.) As examples: The United States leads the world in cancer treatment and health care research. Survival from colorectal cancer in America is the best in the world.

   Last year, I underwent a double lumbar/sacrum fusion operation. The four-day stay at the hospital cost $141,000. Medicare and my supplemental insurance picked up the entire tab. (Thus far, I cross my fingers when I open a health insurance-related envelope.)

2. Options are limited in controlling an insurance-based system.[5] A government can ask providers to contain their costs, but higher costs result in higher premiums to the patients. Administrative costs in the U.S. are twice as high as the next highest country: Switzerland. Why: Defensive measures to avoid lawsuits, and others, discussed shortly.

   For now, "About one quarter of healthcare cost is associated with administration, which is far higher than in any other country. One example: Duke University Hospital has 1,300 billing clerks, but only 900 beds.[6] Those billing specialists are needed to determine how to bill to meet the varying requirements of multiple insurers. Canada and other countries that have a single-payer system do not require this level of staffing to administer healthcare." It's something out of a Dickens novel.

3. Drugs (medications, prescriptions) are almost three times higher than the next highest country (Switzerland). Why: The lawful exclusion of the U.S. Government to negotiate prices with drug companies: "The Congressional Budget Office has found that just by giving the low-income beneficiaries of Medicare Part D the same discount Medicaid recipients get, the federal government would save $116 billion over 10 years."[7]

   I repeat: The United States government cannot negotiate with a drug company about its charging for medicine to Uyless Black, even though Uyless Black's government picks up a lot of the tab for Uyless Black's drugs. Do I care? Out of sight, out of mind. Let future generations worry about this lobby-driven travesty.

4. Lack of the ability or the inclination to take advantage of the Internet. For example, my pharmacy must use a fax machine to send a prescription request to my personal physician. Fax technology is not part of the modern, digital age. Its contents can be converted to digitization, but with very great cost,

   But we will not create a unified way to correct this deficiency, because we Americans are independent, and will not accede to communal ways.

5. Repetitive and redundant health care records…and incessant reentries from the patient: which is a fundamental aspect of Point 4: (a) Almost without exception, I fill out a form, answering questions, while I am in the waiting room. When I go into the examination

[5] http://www.investopedia.com/articles/personal-finance/080615/6-reasons-healthcare-so-expensive-us.asp.
[6] Ibid.
[7] Ibid.

room, I am asked practically the same set of questions. It is a technically easy task to integrate electronically the two sets of files, if they have been entered into a computer and the systems use the same sets of procedures (which I will call apps and/or protocols).

(b) The same redundancy takes place when I visit different doctors and clinics. I cannot count the number of times I have filled-in duplicate forms, because the U.S. medical profession does not have integrated networks or compatible databases to share information.

Why? (a) the fear of loss of privacy and resulting lawsuits; (b) the lethargy of the whole system (including insurance companies and the medical profession itself). Just consider the absurdity of this dysfunctional practice: The banking system has an integrated system, as does the airline industry. So does Wall Street and its stock exchanges.

6. OECD countries have considerable influence to set prices that hospitals can charge for services. But not in America. For example, the average inpatient hospital charges for a patient getting a joint replacement may range from $5,300 at a hospital in Ada, Oklahoma, to $223,000 at a hospital in Monterey Park, California.[8] Here is another example. "When comparing health care costs for a Medicare patient with heart failure, the report showed treatment in Denver can cost anywhere from a low of $21,000 to a high of $46,000. Meanwhile, in Jackson [Mississippi], heart failure care may cost a low of $9,000 or a high of $51,000."[9]

   I surfed the Internet in an attempt to learn what my back operation would have cost in other countries. For example, my estimates for what was done on my back, if the operation took place in India, ranged from around $10,000 to $12,000. (That did not include airfare, curry chicken, and such.)[10]

7. As mentioned, the U.S. medical system performs more tests because the fear of litigation. In addition: More tests, more money for the doctor. Patients are also to blame, as many put pressure on doctors to conduct tests, such as MRIs. In America, twice the number of MRIs is conducted than the average in OECD countries. These (very often) unnecessary tests result in huge outlays of money of the equipment manufacturers.

8. The United States has fewer hospital beds and physicians than the average OECD country. Some people claim: The less the resource, the more the cost for the resource.

[8] http://www.cbsnews.com/news/hospital-costs-can-vary-more-than-200000-for-same-procedure-government-report-reveals/

[9] Ibid.

[10] These figures also do not take into account (cited in point 1 of this list) that I had a surgical genius administrating to my spine (Dr. Ganz) and an outlier doctor (Dr. Schmitt), who has been taking care of me for many years. Doctors Ganz and Schmitt: Thank you for curing my acute lower back pain. And thank you for being more than conventional doctors. You are the only medical people I have come across who are also philosophers. But I will also say: I could not afford your care if I did not have Medicare, and I am thankful you have me as a patient in spite of the fact that I am indeed on Medicare.

9. Hospitals are required to take in a person in the emergency room, even if the person has no coverage or any money. The hospital must absorb these costs.

10. The expense for purchasing medical devices is out of control. The prices do not reflect a competitive marketplace.

11. Doctors (general physicians) are paid more than in most of countries, as seen in the chart below (Figure 2).[11] In the United States, doctors are compensated by health insurance contracts. The more patients they service, the more they can charge of their services, but they are still limited by the power of the insurance companies.[12]
(Note: the initials P.P.P refer to purchasing-power parity. The term means that U. S. $1,000 buys the same goods and services in each country.)

Figure 2. Physicians' pay.

Source: Congressional Research Service analysis; see notes in table below

If the U. S. is paying-out fantastic sums of money for health care, what about the quality of care this money buys, ideas brought up in some of the points above?

- Life expectancy of a U.S. citizen (2012 data) is 78.2 years, compared to 79.5 years to the average of OECD countries.

- Another chart below (Figure 3) compares the quality of care patients receive in eleven rich (or semi-rich) nations.

[11] https://economix.blogs.nytimes.com/2009/07/15/how-much-do-doctors-in-other-countries-make/?_r=0.
[12] This practice varies greatly. My doctors in North Idaho are quite circumspect about having tests done. But I had family doctor in Front Royal, Virginia, who must have been co-owner of local testing labs!

- In a 2011 study, children between the ages of 5-17 in the United States were topped only by Greek children who were classified as being over-weight, as seen the chart (Figure 4) below.[13]

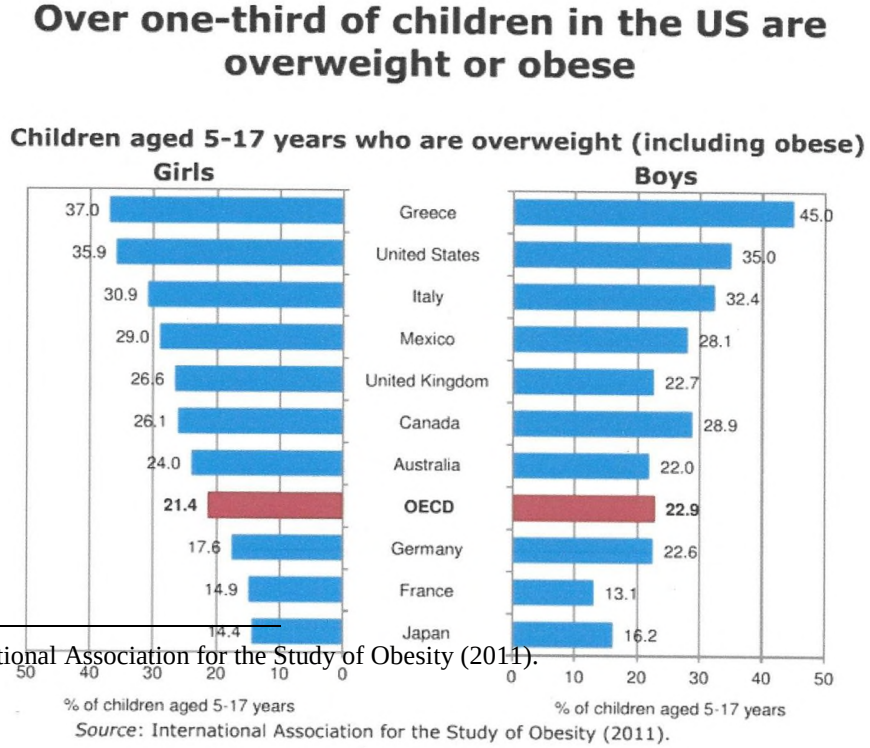
COUNTRY RANKINGS

Top 2*
Middle
Bottom 2*

	AUS	CAN	FRA	GER	NETH	NZ	NOR	SWE	SWIZ	UK	US
OVERALL RANKING (2013)	4	10	9	5	5	7	7	3	2	1	11
Quality Care	2	9	8	7	5	4	11	10	3	1	5
Effective Care	4	7	9	6	5	2	11	10	8	1	3
Safe Care	3	10	2	6	7	9	11	5	4	1	7
Coordinated Care	4	8	9	10	5	2	7	11	3	1	6
Patient-Centered Care	5	8	10	7	3	6	11	9	2	1	4
Access	8	9	11	2	4	7	6	4	2	1	9
Cost-Related Problem	9	5	10	4	8	6	3	1	7	1	11
Timeliness of Care	6	11	10	4	2	7	8	9	1	3	5
Efficiency	4	10	8	9	7	3	4	2	6	1	11
Equity	5	9	7	4	8	10	6	1	2	2	11
Healthy Lives	4	8	1	7	5	9	6	2	3	10	11
Health Expenditures/Capita, 2011**	$3,800	$4,522	$4,118	$4,495	$5,099	$3,182	$5,669	$3,925	$5,643	$3,405	$8,508

Notes: * Includes ties. ** Expenditures shown in $US PPP (purchasing power parity); Australian $ data are from 2010.
Source: Calculated by The Commonwealth Fund based on 2011 International Health Policy Survey of Sicker Adults; 2012 International Health Policy Survey of Primary Care Physicians; 2013 International Health Policy Survey; Commonwealth Fund *National Scorecard 2011*; World Health Organization; and Organization for Economic Cooperation and Development, *OECD Health Data, 2013* (Paris: OECD, Nov. 2013).

Figure 3. Quality of care. (Note: final line (Health Expenditures) varies from Figure 1, due to different dates and studies.



[13] International Association for the Study of Obesity (2011).

Figure 4. Quantity eating.

Users of Health Care

Below (Table 1) is a compilation of several nations' health care systems.[14] Compare this information to that in earlier discussions and illustrations. Clearly, as stated in the points above, America's commitment to the insurance mandate does not come close to breaking the winner's tape.

Table 1. Health Care Systems.

Country	System Type
Norway	Single Payer
New Zealand	Two Tier
Japan	Single Payer
Germany	Insurance Mandate
Belgium	Insurance Mandate
United Kingdom	Single Payer
Sweden	Single Payer
Canada	Single Payer
Netherlands	Two-Tier
Austria	Insurance Mandate
United Arab Emirates	Single Payer
Finland	Single Payer
Slovenia	Single Payer
Denmark	Two-Tier
Luxembourg	Insurance Mandate
France	Two-Tier
Australia	Two Tier
Ireland	Two-Tier
Italy	Single Payer
Portugal	Single Payer
Cyprus	Single Payer
Greece	Insurance Mandate
Spain	Single Payer
South Korea	Insurance Mandate
Iceland	Single Payer
Hong Kong	Two-Tier
Singapore	Two-Tier
Switzerland	Insurance Mandate

[14] https://truecostblog.com/2009/08/09/countries-with-universal-healthcare-by-date/

Israel	Two-Tier
United States	Insurance Mandate

It is not Just a Health Care System Problem. It is Part of our Culture

The number of overweight children in America is growing. Our health care system and especially our culture are not designed to address this increasingly catastrophic problem, as illustrated in Figure 5.[15]

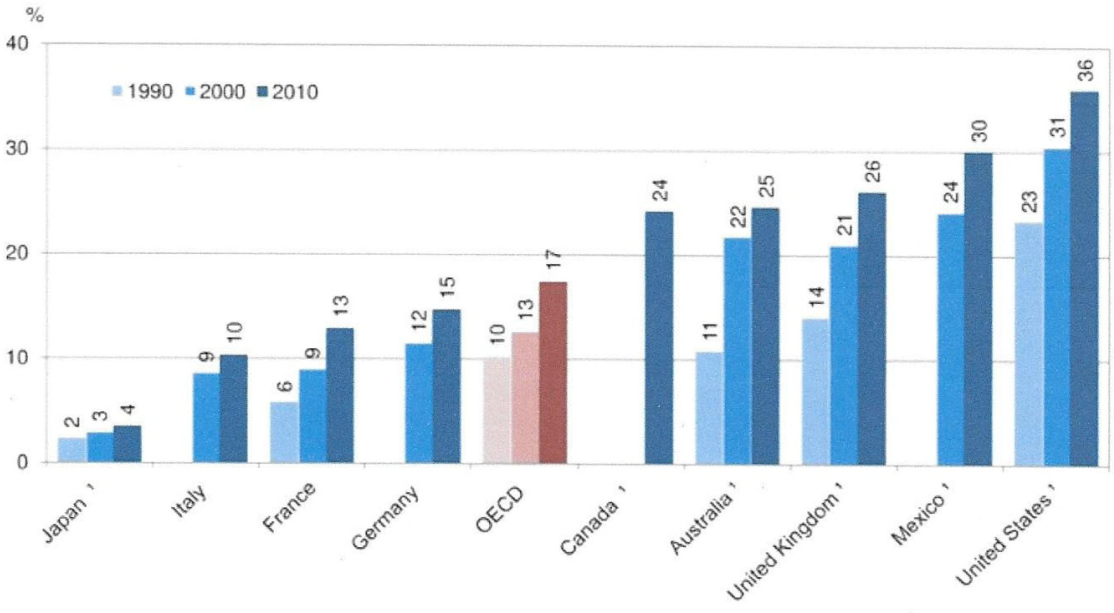


Figure 5. Obesity rates over the past twenty years. % represents the percentages of changes.

Effectiveness of an Insurance-based System?

What can we do to improve matters? For starters, let's look at America's insurance-based system. Here is a passage from an essay on the subject:[16]

> Insurance companies like Aetna complain that fewer young people than anticipated are buying insurance on the exchanges. The Obama administration was aiming at over 38 percent of the exchange pool being between 18 and 35 years old, but right now that number is just 28 percent. That means insurers have to pay more in health costs for customers who are older and sicker than anticipated, making those insurers more likely to abandon the exchanges. So a big swath of the U.S. now has just one insurance company offering Obamacare plans, and one county in Arizona has none.

[15] Again, the monetary data varies, depending on the year, and on the specific study. But this writer has found, given small variances, the data across years and sources corroborate one another.

[16] https://theintercept.com/2016/08/27/obamacares-faltering-for-one-simple-reason-profit/

> The failure of young people to sign up in expected numbers is connected to the weakness of the Obamacare mandate. The amount that people who don't buy health insurance must pay in penalties started off very low, and while it's increased, it's still usually significantly less than the cost of even the cheapest plan on exchanges.
>
> By contrast, in other countries with private health insurance, the government response is ferocious if you don't buy the basic package. Switzerland will seize your wages to pay for the necessary insurance. If you get sick in Japan without buying insurance, you have to come up with all your back premiums before your insurer will pay your medical bills.
>
> It is, of course, *technically* feasible to set up something similar in the U.S. But it will never be *politically* practical. That's because there would be an intense political backlash if the government started garnishing our paychecks and sending the money to Aetna, whose CEO made $28 million last year.

Nothing in life is simple. The issue of American health care personifies this fact in spades. The insurance industry and its profits/losses do little more than confuse the average American. The insurance companies are removing their coverage from parts of the country. Some parts of the country are being left with few or only a government-mandated option. Yet, their selected coverage is paying-off:

> A Salon analysis of regulatory filings found that the top five health insurers — UnitedHealth, Anthem, Aetna, Humana and Cigna — have doled out nearly $30 billion in stock buybacks and dividends from 2013 to 2015. (The Supreme Court ruled in favor of the Affordable Care Act in 2012.)
>
> Meanwhile, the increase in customers that these health insurers received under ACA has helped raise the stock prices of the top five insurers — some 80 percent for Anthem and 165 percent for Aetna since the high court ruled on June 28, 2012, that Obamacare was constitutional.[17]

Would you do the same as a CEO of an insurance company? If you did not, you should be fired. The job of an insurance company is to make money for its stockholders, nothing more and nothing less---while providing the coverage that has been mandated.

America's health care system is based on an insurance mandate, which is little more than a cartel for America's insurance-based health care companies. Who can blame them? They go where they can make a profit for their shareholders. That is their primary function.

Comparison Shopping

Let me assist you in analyzing some of the studies presented in this article. Of the insurance-mandated countries, only South Korea falls below the OECD average for health care

[17] http://www.latimes.com/business/hiltzik/la-fi-hiltzik-obamacare-profits-20160427-snap-htmlstory.html

costs (Figure 1 (cost of health care) and Table 1 (health care plans). All others are above the OECD average.

Consulting Figure 3 (quality of health care) along with Table 1 (health care plans): Only four of the top eleven-rated countries use an insurance-based plan. The other seven use a single payer or two-tier system.

For my American readers: The United States insurance-mandated plan (Table 1); its cost per GNP and raw dollars (Figures 1 and 3); its performance (Figure 3); and the future of its citizens' health (Figures 4 and 5) should put us all to shame. We sponsor the most expensive health care system in the world (or close to it), and we are not even in the top ten of quality-based systems.

The facts of these studies are staggering in what lies in the future for America and its citizenry, both from the standpoints of wealth and health. If we do not take measures to fix a dangerously dysfunctional system, our children and their children will eventually live in a degraded nation. As it is now going, America will bankrupt itself financially on its acquiescence to private insurance companies paying out high dividends to its stockholders and high salaries/bonuses to executives. It will relegate its citizens to a nation lacking in healthiness and deeply in debt.

Facts are facts: America is number one in health care costs. It is number 11 in health care quality. Dream up your own opinions about these facts, but do not dream up, as Donald's Ducks would say, alternative facts.

Solution

Clearly, the American health care system is ill in relation to cost vs. performance. The long-term solution is simple: Cut back on calorie intake and do more vigorous exercise. But this offering is off the chart for most Americans. We are addicted to Big Macs and couch potato stupor.

For the long run, and if you look at the charts and statistics in this report, the solution is for America to move to a single payer system.

Yes, I know. It is socialistic. How can we hardy Americans succumb to such a wimpy form of governance?

Simple. Medicare and Medicaid are already in the socialistic camp. They are administrated by the nation, by the…yes, socialistic community of the people.

For a further reality check, politicians who remove Medicare or Medicaid from our lives do so to the peril of their positions of power and privilege on Capitol Hill.

I suspect my doctors are not in favor of a single payer system, as it would likely lead to decreased income on their part. I am sending copies of this report to them, and ask for comments. They are the experts on this subject, not I.

In addition, I came across the information described below[18]. From what this non-expert can gather, it appears America already has the means to reduce the exorbitant drug prices. If Congress is not allowed to rein in the drug prices, it has the power to introduce completion into the process.

However, Congress has neither the will or courage to go up against the drug cartels (not those from Latin America; those within the U. S.) The pharmaceutical industry leverage in America's political process likely precludes importing prescription drugs, even if they are safe.

[18] https://www.nytimes.com/2017/04/20/opinion/how-to-stop-drug-price-gouging.html?ref=opinion.

> The key power is found in the "import relief" law — an important yet unused provision of the Medicare Modernization Act of 2003 that empowers the Food and Drug Administration to allow drug imports whenever they are deemed safe and capable of saving Americans money. The savings in the price-gouging cases would be significant. Daraprim, the antiparasitic drug whose price was raised by Mr. Shkreli to nearly $750 per pill, sells for a little more than $2 overseas. The cancer drug Cosmegen is priced at $1,400 or more per injection here, as opposed to about $20 to $30 overseas.
>
> The remedy is simple: The government can create a means for pharmacies to get supplies from trusted nations overseas at much lower prices. Doing this would not only save Americans a lot of money but also deflate the incentive to engage in abusive pricing in the first place.

A Personal Perspective. During the years of 1981-2001, I operated three private businesses. All were focused on advising my customers about computer networks in general and the Internet specifically.

I spent time in the following "socialistic" health care systems, mostly for administering to colds and food-related dysfunctions. I place the word *socialistic* in quotes, as Americans believe a single payer system, administered by the state, is a socialistic health care system. Socialism refers to citizen ownership, in contrast to capitalism, which refers to private ownership (these definitions are simplified, but adequate for this discussion.)

So, yes, Medicare is socialized medicine. Other than the doctors and related personnel who do not like "rate-regulation") and (unfortunately) mountains of paperwork, I know of no one who receives Medicare who is not in favor of it.

I was cared for in Medicare-type systems in England, Northern Ireland, Canada, France, Germany, Singapore, and Norway. The quality and speed of service equaled or exceeded the quality of that of my experiences in American hospitals---which is very high.

I bring up these experiences to try to convey to you that insurance-mandated plans are not the answer, that a single payer system has been shown to out-perform insurance plans.

Of course, I am writing this paper on health care as an amateur on the subject, as well as a recipient of Medicare. Thus, my views are from that of a non-expert and the beneficiary of a socialized medicine program.

One of my doctors read the first draft of this paper. Changes I made to the original essay reflect his comments. He did not have many issues with my contentions, although he made certain I knew that (point 11) insurance companies yielded the power regarding compensation to doctors in America.

He also said, “Don’t get me wrong, I am well paid,” but talked with me about the seriousness of the lack competition for services. He cited the reasons why: First, he posed the question, “What is the ‘real cost’ of what the consumer is buying?” The consumer cannot know because (second): “Medical bills are opaque:” [unintelligible to the consumer, who cannot possibly do any comparison shopping]. Third, the United States medical system “is not a real market[underlines are his], MDs’ fees are controlled but pharmacy and medical devices are not controlled.”

The information from this doctor was revealing and made me more aware of the---there is no other word---mess we have created.

I still hold to my original contention. The better approach to what we have now is a single-payer system.