Medicare For All: The Social Transformation Of US Health Care

A Health Affairs Blog by Peter S. Arno and Philip Caper

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There is a large elephant in the room in the national discussion of Medicare for All: the transformation of the US health care system's core mission from the prevention, diagnosis, and treatment of illness—and the promotion of healing—to an approach dominated by large, publicly traded corporate entities dedicated to growing profitability and share price, that is, the business of medicine.

The problem is not that these corporate entities are doing something they shouldn't. They are simply doing too much of what they were created to do—generate wealth for their owners. And, unlike any other wealthy country, we let them do it. The dilemma of the US health care system is due not to a failure of capitalism or corporatism per se, but a failure to implement a public policy that adequately constrains their excesses.

Since the late 1970s, US public policy regarding health care has trended toward an increasing dependence on for-profit corporations and their accompanying reliance on the tools of the

marketplace—such as competition, consolidation, marketing, and consumer choice—to expand access and assure quality in the provision of medical care.

This commercialized, commodified, and corporatized model is driving the US public's demand for fundamental reform and has elevated the issue of health care to the top of the political agenda in the current presidential election campaign.

Costs have risen relentlessly, and the quality of and access to care for many Americans has deteriorated. The cultural changes accompanying these trends have affected every segment of the US health care system, including those that remain nominally not-for-profit. Excessive focus on health care as a business has had a destructive effect on both patients and caregivers, leading to increasing difficulties for many patients in accessing care and to anger, frustration, and burnout for many caregivers, especially those attempting to provide critical primary care.

As a result, the ranks of primary care providers have eroded, and that erosion continues. One of the major reasons for burnout in this group is the clash between its members' professional ethics (put the patient first and "first do no harm") and the profit-oriented demands of their corporate employers. Applying Band-Aids can't cure the underlying causes of disease in medicine or public policy. Ignoring the underlying pathology in public policy, as in clinical medicine, is destined to fail.

Many of the symptoms of our dysfunctional health care system are not in dispute:

- We pay more than twice as much per person on total health care spending and on prescription drugs in comparison to other developed countries. This spending totals nearly 18 percent of our economy.
- Between 2008 and 2018, premiums for employer-sponsored insurance plans increased 55 percent, twice as fast as workers' earnings (26 percent). Over the same time period, the average health insurance deductible for covered workers increased by 212 percent.
- An average employer-sponsored family health insurance policy now exceeds $28,000 per year, with employers paying about $16,000 and employees paying about $12,000.
- Almost half (45 percent) of US adults ages 19 to 64, or more than 88 million people, were inadequately insured over the past year (either they were uninsured, had a gap in coverage, or were underinsured; that is, they had insurance all year but their out-of-pocket costs were so high that they frequently did not receive the care they needed).
- Compared to other developed countries, the US ranks near the bottom on a variety of health indicators including infant mortality, life expectancy, and preventable mortality.

We must therefore ask: How is it that we spend more on health care than any other nation, yet have arrived at such a sorry state of affairs?

The answer is that only in the United States has corporatism engulfed so much of medical care and come so close to dominating the doctor-patient relationship. Publicly traded, profit-driven entities—under constant pressure from Wall Street—control the financing and delivery of medical care in the US to an extent seen nowhere else in the world. For instance, seven investor-owned publicly traded health insurers now control almost a trillion dollars ($913 billion) of total national health care spending and covers half the US population. In 2019, their revenue increased by 31 percent, while their profits grew by 66 percent.

The corporatization of medical care may be the single most distinguishing characteristic of the modern US health care system and the one that has had the most profound impact on it since the early 1980s. The theology of the market and the strongly held—but mistaken—belief that the problems of US health care can be solved if only the market could be perfected have effectively obstructed the development of a rational, efficient, and humane national health care policy.

There are three main reasons to pursue a public policy that embraces genuine health care reform:

1. Saving lives: To simplify our complex and confusing health care system while providing universal affordable health care coverage;
2. Affordability: To rein in the relentless rise in health care costs that are cannibalizing private and public budgets; and
3. Improving quality: To eliminate profitability and share price as the dominant and all-consuming mission of the entities that provide health care services and products when that mission influences clinical decision making. Profitability should be the servant of any health care system's mission, not its master as seems to be increasingly the case in the US.

What Is The Best Approach To Reform?

It is not an exaggeration to say that no reforms except publicly financed, single-payer universal health care will solve the problems of our health care system. This is true whether we are talking about a public option, a Medicare option, Medicare buy-in, Medicare extra, or any other half-measure. The main reason is because of the savings that are inherent only in a truly universal single-payer plan. Specifically, the administrative and bureaucratic savings gained by eliminating private insurers are the largest potential source of savings in a universal single-payer framework, yet all the "option" reforms listed above leave largely intact the tangle of wasteful, inefficient, and costly private commercial health insurers. The second largest source of savings comes through reducing the cost of prescription drugs by using the negotiating leverage of the federal government to bring down prices, as is done in most other developed countries. The ability, will, and policy tools (such as global budgeting) to restrain these and other costs in a single-payer framework are the key to reining in the relentless rise in health care expenditures and providing universal coverage.

The various "option" reform proposals will not simplify our confusing health care system nor will they lead to universal coverage. None have adequate means to restrain health care costs. So why go down this road? Is it too difficult for the US to guarantee everyone access to affordable care when every other developed country in the world has done so?

The stated reason put forth in favor of these mixed option approaches is that Americans want "choice." But choice of what? We know with certainty from former insurance company executives such as Wendell Potter that the false "choice" meme polls well with the US public and was used to undermine the Clinton reform efforts more than 25 years ago. It is being widely used today to manipulate public opinion.

But choice in our current system is largely an illusion. In 2019, 67.8 million workers across the country separated from their job at some point during the year—either through layoffs, terminations, or switching jobs. This labor turnover data leaves little doubt that people with employer-sponsored insurance are losing their insurance constantly, as are their spouses and children. And even for those who stay at the same job, insurance coverage often changes. In 2019, more than half of all firms offering health benefits reported shopping for a new health plan and, among those, nearly 20 percent actually changed insurance carriers. Trading off choice of doctors or hospitals for choice of insurance companies is a bad bargain.

The other major objection to a universal single-payer program is cost. Yet, public financing for health care is not a matter of raising new money for health care but of reducing total health care outlays and distributing payments more equitably and efficiently. Nearly every credible study concludes that a single-payer universal framework, with all its increased benefits, would be less costly than the status quo, more effective in restraining future cost increases, and more popular with the public—as 50 years of experience with Medicare has demonstrated.

The status quo generates hundreds of billions of dollars in surplus and profits to private stakeholders, who need only spend a small portion (millions of dollars) to influence legislators, manipulate public opinion, distort the facts, and obfuscate the issues with multiple competing reform efforts.

Conclusion

The real struggle for a universal single-payer system in the US is not technical or economic but almost entirely political. Retaining the status quo (for example, the Affordable Care Act) is the least disruptive course for the existing medical-industrial complex, and therefore the politically easiest route. Unfortunately, the status quo is disruptive to the lives of most Americans and the least effective route in attacking the underlying pathology of the US health care system—corporatism run amok. Following that route will do little more than kick the can down the road, which will require repeatedly revisiting the deficiencies in our health care system outlined above until we get it right.

The US public and increasingly the business community are becoming acutely aware of the rising costs and inadequacies of our current system. It is the growing social movement, which rejects the false and misleading narratives, that will lead us to a universal single-payer system—truly the most effective way to reform our health care system for the benefit of the US people.

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