



# Medicare for All

---

A POTENTIAL SOLUTION FOR OUR  
GROWING HEALTHCARE  
FINANCIAL CRISIS-

ALLAN L MARKUS MD MS MBA FACP

CLINICAL ASSOCIATE PROFESSOR OF  
MEDICINE- UNIVERSITY OF ARIZONA  
COM-PHOENIX

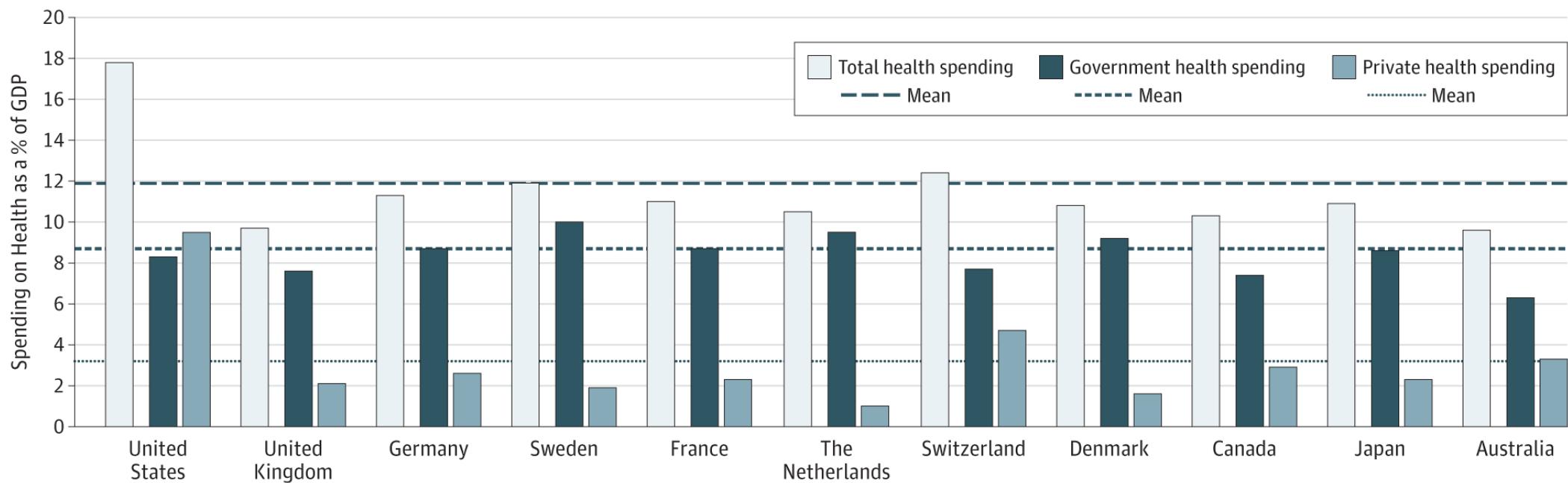
# Why Do We Need a Solution?

---

- The United States currently has a mixed private and public healthcare system without universal healthcare coverage for its citizens.
- According to the Centers of Medicare and Medicaid Services in 2017 the US spent **17.9% of their Gross Domestic Product** on health which equated to **\$10,739 per person**
- How does this compare to other countries?

From: **Health Care Spending in the United States and Other High-Income Countries**

JAMA. 2018;319(10):1024-1039. doi:10.1001/jama.2018.1150



**Figure Legend:**

Health Spending as a Percentage of Gross Domestic Product

# Are We Getting What We are Paying For?

---

	AUS	CAN	FRA	GER	NETH	NZ	NOR	SWE	SWIZ	UK	US
OVERALL RANKING	2	9	10	8	3	4	4	6	6	1	11
Care Process +	2	6	9	8	4	3	10	11	7	1	5
Access +	4	10	9	2	1	7	5	6	8	3	11
Administrative Efficiency +	1	6	11	6	9	2	4	5	8	3	10
Equity +	7	9	10	6	2	8	5	3	4	1	11
Health Care Outcomes +	1	9	5	8	6	7	3	2	4	10	11

Source: The Commonwealth Fund 2017

## Country comparison:

Percent of total population covered by private and/or public health insurance, 2016 or nearest year



Note: 2016 data shown for the U.S., Australia, Canada, France, and Sweden.

Source: KFF analysis of OECD and U.S. Census data • Get the data • PNG

Peterson-Kaiser  
Health System Tracker

8.8% of the US Population still is not covered by Private or Public Health Insurance ~24.5 Million people still without access

# What are the potential solutions

---

- 1) Utilize the Affordable Care Act and require all Americans to choose a private plan from the Marketplace with requirements on the plans for coverage and payment systems (like Germany)
- 2) Create a national health insurance plan run by the government that pays for all services and sets rates and standards for payment (like Canada)
- 3) Create a new health system with a nationalized healthcare where the majority of hospitals and medical providers work for the governmental health system. (like the UK)
- 4) Expand the current Medicare system that would cover all Americans

# Medicare for All

---

- System would create a nationalized healthcare insurance for all residents in the US. It would create rules to prevent immigration to the US to get on the US healthcare system. It would start 4 years after passage of the Act with a transition period
- States that people could choose to get care from anyone who is qualified to participate in the plan as a provider
- Automatic enrollment at birth
- Private insurances and Employee Plans cannot duplicate coverage and charge for it. Private companies can still provide insurance for benefits not on the plan. i.e. costs of health insurance come off the backs of US companies directly.

# Medicare for All

---

- Services provided will be services provided for current Medicare patients but also include preventive services and long term care options. Possibility of including specific complementary and integrative medicine as well.
- Cost sharing of up to \$200 annually per individual for those above the 200% poverty level, except for brand-name drugs when a generic equivalent is available
- Creates a National Health Budget for payment of services, training, Quality assessment, innovation, prevention and public health activities.
- Universal Medicare Trust Fund that incorporates funds from current Medicare, Medicaid programs, federal employee health benefits, and Tricare programs.

# Medicare for All

- Transition during the 4 years would allow for the creation of a public health choice on the exchanges that would have to comply with the ACA standards and would be available for any US resident to purchase.
- The current bill could utilize multiple ways to pay for the program but doesn't specify the specifics on the final rule of tax changes\*.
  - 7.5 percent income-based premium paid by employers. This would create 3.9 trillion dollars over 10 years but paradoxically for many employers may actually decrease their current private insurance costs. (first \$2 million exempt from premium)
  - 4 percent income-based premium paid by households would create 3.5 trillion dollars over 10 years. Although this may sound like a great deal of money, based on money paid by average families for healthcare, the average savings would be about \$4400.
  - Savings of Health Tax Expenditures- The fact that there will no longer be tax breaks for employers from paying for employer paid premiums from payroll and income taxes totaling \$4.2 trillion over 10 years.

\* Senator Sanders options for paying for Medicare for All- accessed 9/29/2019

# Why Would This Work?

- Costs shifts from a payor system that is driven by private insurers which run at about a 25% overhead to a Medicare system that currently runs a 2% overhead.
- Currently American businesses pay about 82% of the current average cost of \$6,896 for employer-based insurance. Under MFA proposal they would pay between estimated 6.2-7.5% payroll tax (currently 8.3% according to the Bureau of Labor Statistics) or 75% of what they are currently paying and the first two million in premium will be non-taxed.
- The current average annual deductible for individual plans was \$4,358 and the average deductible for family plans was \$7,983. Under the MFA proposal they would pay an estimated 2.2-4.0% tax. Shifts from deductible to taxes.
- No more COBRA policies and people do not have to stay in jobs for healthcare reasons.
- 24.5 million people would be covered who are now uninsured and unable to get healthcare until late in the course of treatment.
- But the biggest savings would be a more efficient single large payer that would be better able to control costs with paying for medicines, treatments, and manage hospital/health system costs. Per the research article analysis, the % GDP would come down to 15.8% from its current 17.9%\*

\* Pollin R, Heintz J, Arno P, Wicks-Lim J, Ash M. *Economic Analysis of Medicare for All Nov 30, 2018 Univ of Massachusetts*

# What my opponent will argue

---

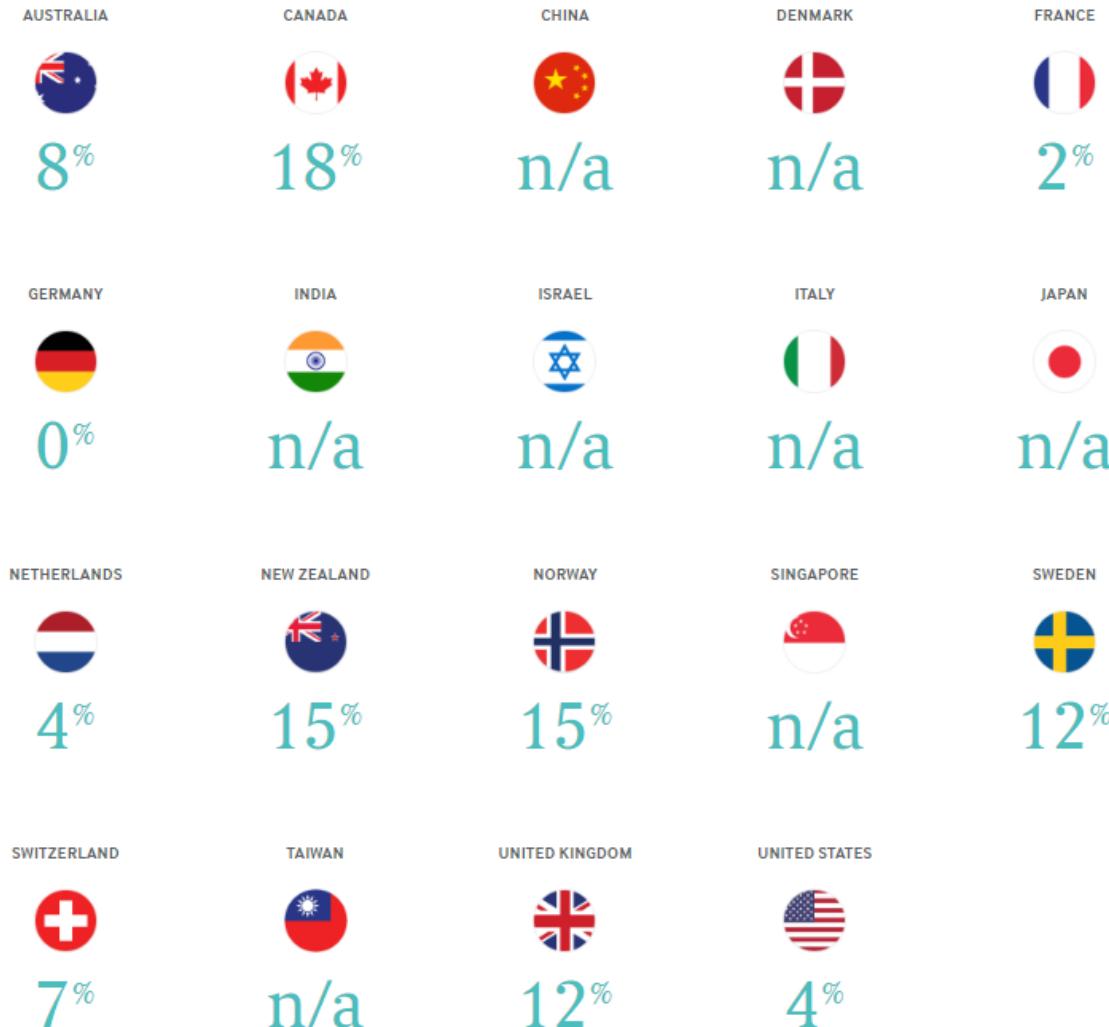
- Increased wait times for elective procedures
- We can't afford it
- Too many people will lose their jobs
- The government can't run anything efficiently (did you see how much they paid for that hammer?)

Wait Times for elective procedures-

OK he is right. You will have to wait longer if you already have insurance but if you didn't have insurance before at least you can get in line now.

## Waited Four Months or More for Elective Surgery, 2016

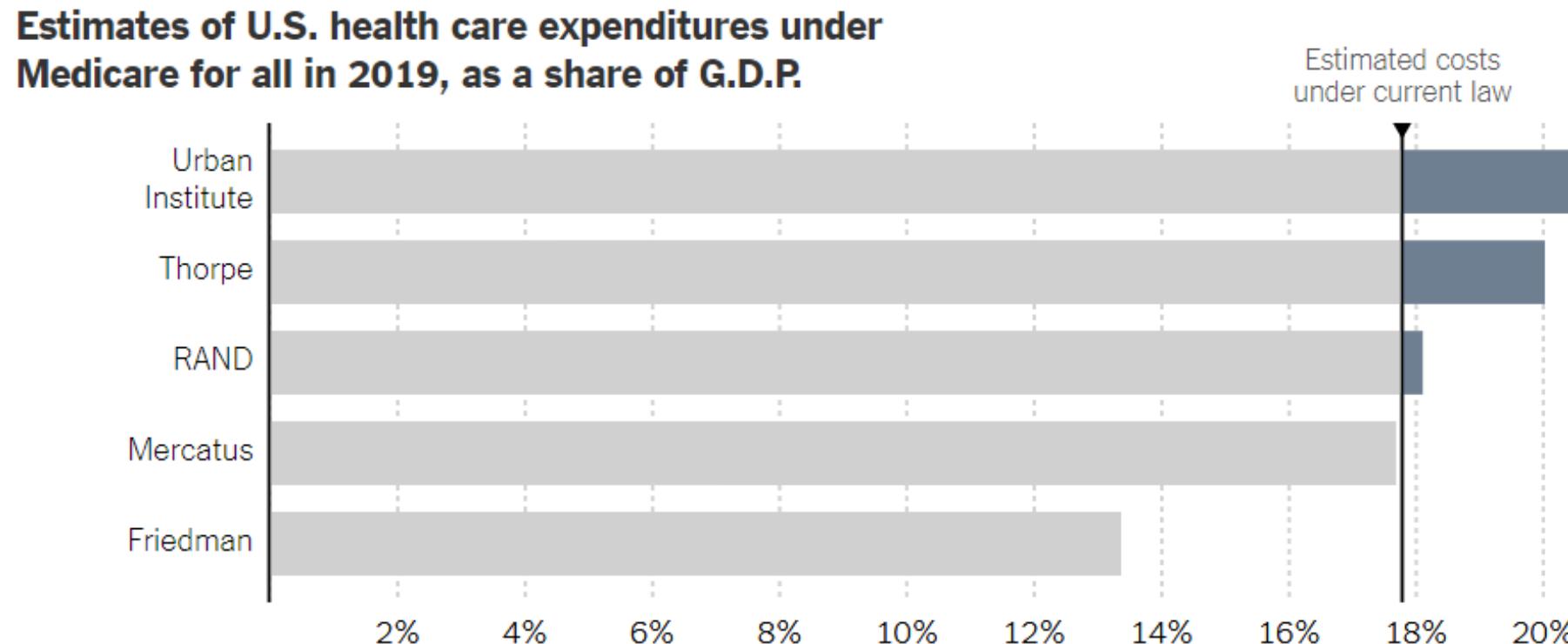
Source: 2016 Commonwealth Fund International Survey



Base: Needed elective surgery in past two years.

# We Can't Afford Access to Care-

In an April 10, 2019 NYT article, five different think tanks estimated what the % GDP would be under Medicare for All. They all agreed that individuals and payors would pay less but the federal government would pay more. % GDP would depend on the ability of Medicare to get cost savings by paying less for medications and services.



# Too many people will lose their jobs- Spoiler alert he is right

---

- Estimates from 1.5 million to 2.0 million people will lose their jobs in the insurance industry and healthcare sectors that are devoted to the financial systems related to the billing, coding, marketing of private insurances, pharmaceutical companies, and even providers (hospitals and specialists) that were able to leverage their market positions of being able to get good markups of charges above Medicare rates for private services.
- This transition would happen over the four-year transition time and other sectors of the economy would have to absorb these job positions as these are the jobs that currently drive the health costs.

# So on balance....

---

Decrease overall spending on GDP potentially by decreasing administrative and marketing costs

Create healthcare access for all Americans

Create the opportunity to catch up to the rest of the world in healthcare outcomes

Downside is the fact that those involved in the private healthcare market will need to be shifted to other jobs over 5 years

Everyone will have to pay taxes towards their healthcare (Not just Medicare tax money, money for the disabled, Military/Vets, Poor, Native Americans, and Government workers which all are part of current government tax supported healthcare)