Scientific Assembly
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Is Medicare-for-All Ready for Prime Time?

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Midwest EM Winter Symposium
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1

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Disclosure

- I am a member of the Speakers' Bureau, Physicians for a National Health Program
- PNHP did not review my presentation.

2

Outline

- Define Medicare-for-All
- Describe how Medicare-for-All would be financed
- List Advantages & Disadvantages

3

What is "Medicare-for-All"?

- Alternative method of ***financing*** health care
- Based on ***improving*** and ***expanding*** current Medicare

4

What is "Medicare-for-All"?

1200 health plans ➡ *improved* & *expanded* Medicare

- ***Improved:*** more services
- ***Expanded:*** more people
- ***Simplified:*** consistent physician payment; **no pay cut**
- ***Public financing***….but ***private delivery***
- ***Administration:*** state-based
- ***Phased in*** over several years

5

Why Medicare?

- Universal, portable
- Popular: 80% favorable rating
- Financing: public & progressive
- Automatic enrollment & not job-linked
- Available in all states
- Administrative costs 2%
- Most physicians participate
- Timely payment >90%

6

Medicare-for-All would…

- ✓Cover everyone
- ✓Reduce administrative inefficiencies
- ✓Sever the link between employment and health insurance
- ✓Allow consumer choice
- ✓Reduce health care disparities
- ✓Be accountable to the public

7

Medicare-for-All would…

- ✓Cover all reasonable beneficial services
- ✓Preserve patient-physician relationship
- ✓Eliminate co-pays, deductibles
- ✓Promote global competitiveness of American business
- ✓Pay for our EMTALA mandate!
- ✓Effect meaningful tort reform

8

Why do we need Medicare-for-All?

- **Access**
- **Quality**
- **Costs**

9

Access

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Access Issues - Pre-COVID

- At least 29 million uninsured
- 44 million more “underinsured”
- 12 states have not expanded Medicaid
- About 1/3 of physicians are not participating in Medicaid

Access Issues - Post-COVID

- About 27 million lost insurance
- About 5.4 million will lose insurance permanently

10

Quality

- Americans receive high quality care only 55% of the time
- 98,000 patients die each year due to medical errors (IOM)
- **Life expectancy:** 78.8 years in USA vs. 81.3 years in Canada
- **Infant mortality:** 6 deaths/1000 live births in USA vs. 4.8 in Canada
- Health care disparities

11

Cost

4.1 Trillion Dollars !

Cost Issues

- $12,530 per capita
- 19.7% of GDP
- $28,256 per family of 4 (Milliman Medical Index)

- ***No other country comes close!***

12

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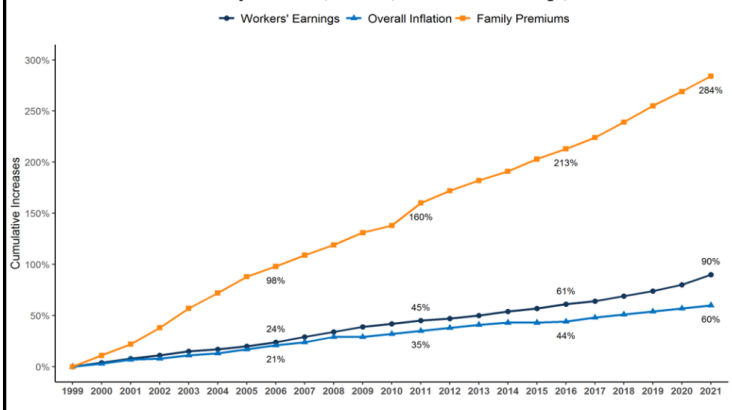
Figure 4

Cumulative Increases in Family Premiums, Inflation, and Workers' Earnings, 1999-2021



SOURCE: KFF Employer Health Benefits Survey, 2018-2021; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017. Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation, 1999-2021; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 1999-2021.

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13

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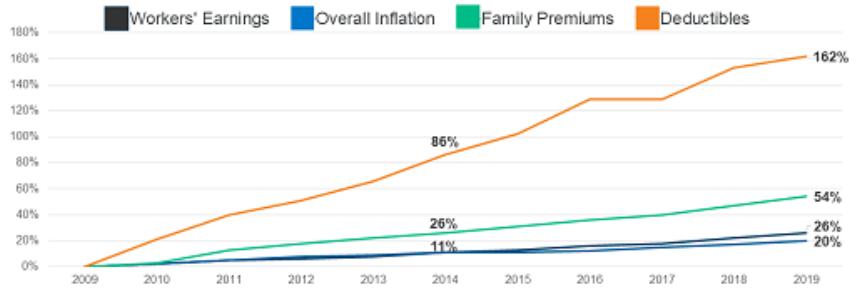
Premiums and Deductibles Rise Faster than Worker's Wages Over Past Decade

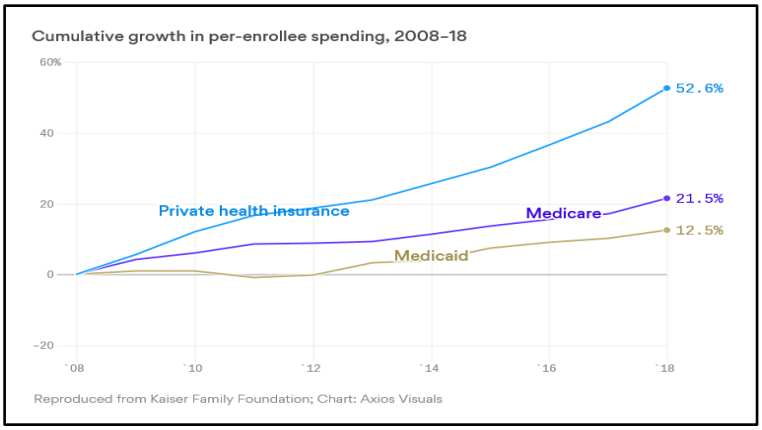


SOURCE: KFF Employer Health Benefits Survey, 2018-2019; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2009-2017. Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation (April to April), 2008-2019; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 2009-2019 (April to April).

KFF

14

Spending: Private Insurance vs. Medicare & Medicaid



15

Medical Bankruptcy

- 62% of all personal bankruptcies
- Most are middle-class
- ***78% had health insurance***

Himmelstein DU, Thorne D, Warren E, Woolhandler S. Medical Bankruptcy in the United States, 2007: Results of a National Study. *Am J Med* 2009; 122:741-746.

16

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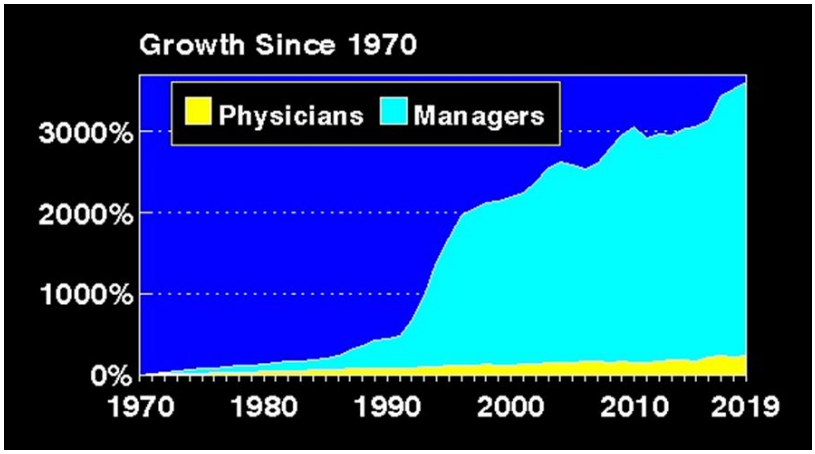
Growth of Physicians & Administrators, 1970-2019



Source: PNHP (Bureau of Labor Statistics, NCHS, Himmelstein/Woolhandler analysis of CPS)

17

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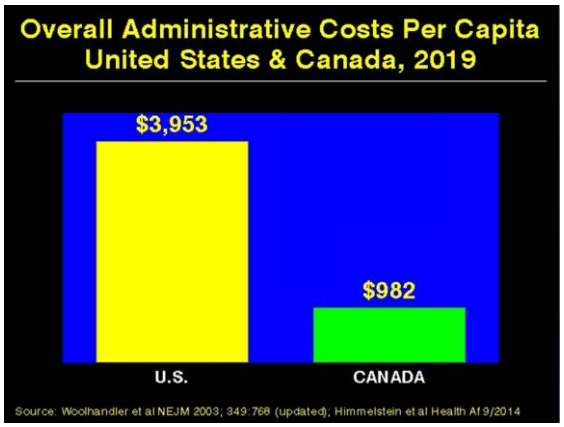
Massive Administrative Costs



Courtesy of PNHP (2020)

Credit: Dan Wasserman, *Boston Globe*

18

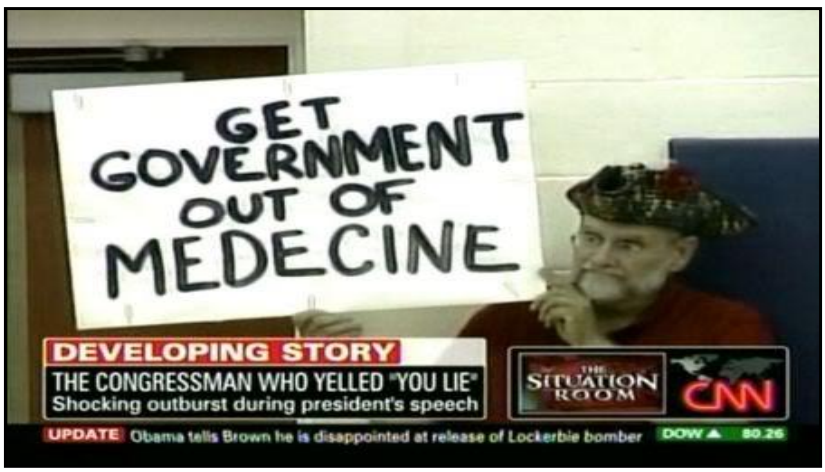
How Would Medicare-for-All be Financed?

- ***Progressive taxation*** replaces premiums, deductibles, copays & co-insurance
  - Paid by both individuals and employers
- Administrative savings from economies of scale
- Negotiated prescription drug purchasing
- Global budgets for hospitals
- ***But <u>NOT</u> by cutting physician pay***

MEDICARE FOR ALL

19

The 8 Myths of Medicare-for-All

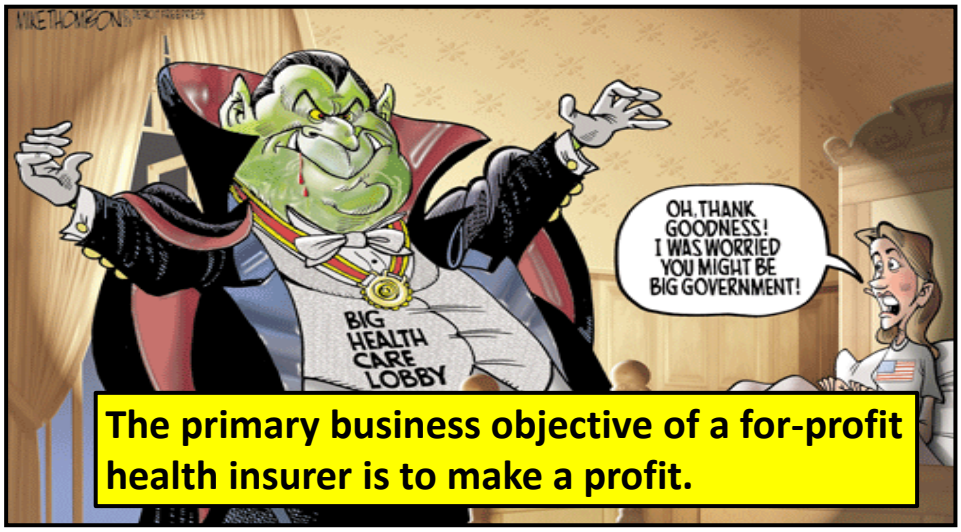


20

Myth #1: Medicare-for-All is "socialized medicine" and "un-American"

- Government-financed, **not** government controlled
- Feds act as the 'premium' collector (taxes)….but don't 'run' healthcare
- Analogy: Interstate Highway System

21



Credit: Mike Thompson, *Detroit Free Press*

22

Myth #2: "Canadian health care would be bad for America"

- Canadians live longer
- Lower infant mortality
- Less likely to have unmet medical needs
- Less likely to skip recommended test
- More likely to have regular physician
- **Yet…Canada spends 55% of what we do**

23

Myth #2: "Canadian health care would be bad for America"

- 80% of Canadians are satisfied/very satisfied with their health system
- NO evidence that Canadians routinely come to US for healthcare
- NO evidence of massive emigration of Canadian physicians
- NO evidence of poor quality

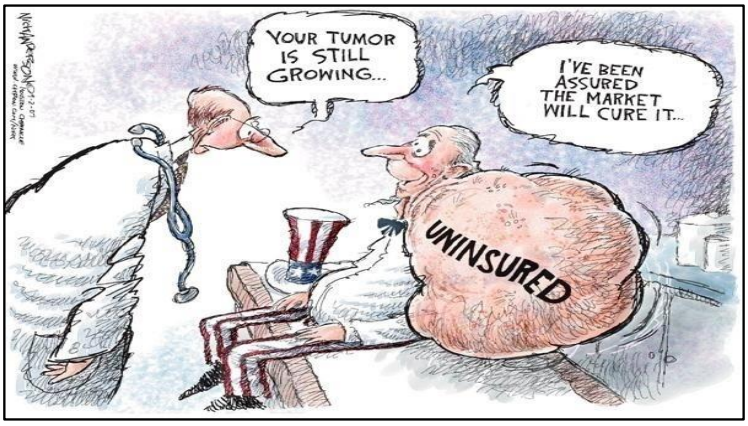
24

"Yeah, but what about those long waits?"

- 83% of Canadians get elective surgeries in 3 months
- NO evidence of wait-listing for emergencies
- Reasonable explanations
- Americans have long waits, too (Medicaid, the uninsured)

25

Myth #3: "Market-based Medicine will fix Health Care"



Credit: Nick Anderson (Houston Chronicle) & Leonard Fleck, PhD (MSU)

26

What has The Market done for health care in the last 20 years?

- Pricing consumers out of the market
- Decrease in choice of provider
- Consolidation of insurance plans
- Diversion of health care resources
- Under-funding of less profitable endeavors
- Unaffordable prescription drugs
- Dissatisfied patients, frustrated physicians & unhappy employers
- **AND…HIGHER COSTS !!!**

Credit: Barbara Smaller, *The New Yorker*

27

"The market has been and continues to be unsustainable."

- Joseph R. Swedish, former CEO of Anthem (*NY Times*, August 12, 2016)

28

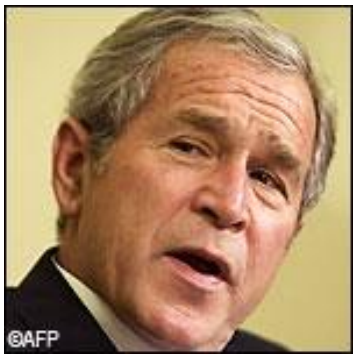
President Bush's Plan for the Uninsured

"I mean, people have access to health care in America.

After all, you just go to an emergency room."

President George W. Bush

Cleveland, Ohio, July 10, 2007



29

Myth #4: "Medicare-for-All would stop medical innovation"

- No correlation between innovation and health care financing
- Many technologies came from countries with national health insurance
- Largest single source of funding for medical research in US = **NIH**
  - $43 billion funding, FY 2021
  - 1/3 of total dollars spent on R&D in US

30

Myth #5: "We cannot afford Medicare-for-All"

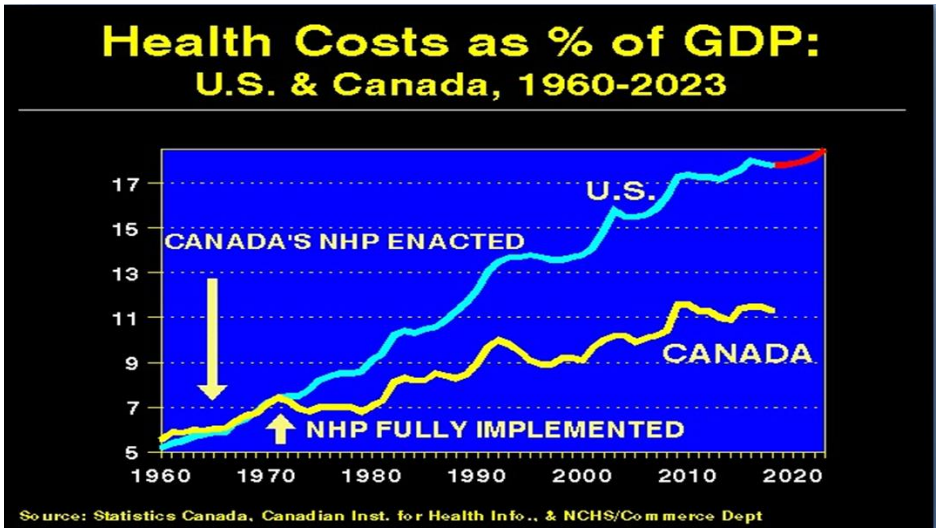
Progressive Taxation, yes, BUT:

- Health insurance premiums would disappear
- Savings from economies of scale
- Decreased out-of-pocket payments
- Est. 95% of Americans would be better off financially

Estimates of savings under Medicare-for-All:

- $200 billion (GAO)
- $300-700+ billion (other sources)

31



Courtesy of PNHP (2020)

32

Savings under Medicare-for-All
(as % of Total Annual Health Expenditures)

Study/Year	Admin Costs	Drug Costs	Increased Utilization	Total Savings	Comment
Pollin, UMass/PERI, 2018	-9.0%	-5.9%	+12.0%	**$311 billion in first year**	2017 data; assumes uniform fee schedule, reduction in fraud of 1%
Blahous, Mercatus Center, 2018	-1.8%	-1.6%	+11.3%	**$2 trillion over 10 yrs (2022-2031)**	Projected for 2022; underestimates admin savings & drug savings; overestimates increased utilization & provider cuts
Friedman, 2013	-15.1%	-3.7%	+12.5%	**$199 billion (2014)**	Projected for 2014; increased utilization includes retraining costs for insurance personnel
RAND, 2018	-4.2%	-1.0%	+6.0	**$228 billion**	Projected for 2019; underestimates admin & drug costs savings

33

Myth #6: "Under Medicare-for-All, we would over-consume health services"

- **National ED utilization:**
  - 39.7/100 Canada vs. 39.9/100 USA
- **Experience in Taiwan (1995):**
  - 57% insured (1995); 97% insured (1997)
  - No significant increase in ED visits
- **Medicare (1965):**
  - No increase in physician visits between 1964 and1966 (4.3 visits/person)
- **Medicaid Expansion (ACA, 2014)**
  - No increase in overall ED visits (Ali Moghtaderi, *Ann Emerg Med*, Jan. 2021)

34

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Myth #7: "Physicians would take a pay cut"

> (b) FEE SCHEDULE.—
>
> (1) ESTABLISHMENT.—Not later than 1 year after the date of the enactment of this Act, and in consultation with providers and regional office directors, the Secretary shall establish a national fee schedule for items and services payable under this Act. The Secretary shall evaluate the effectiveness of

HR 1976, "Medicare for All Act of 2021" §612(b), p. 74/131
https://www.congress.gov/117/bills/hr1976/BILLS-117hr1976ih.pdf

35

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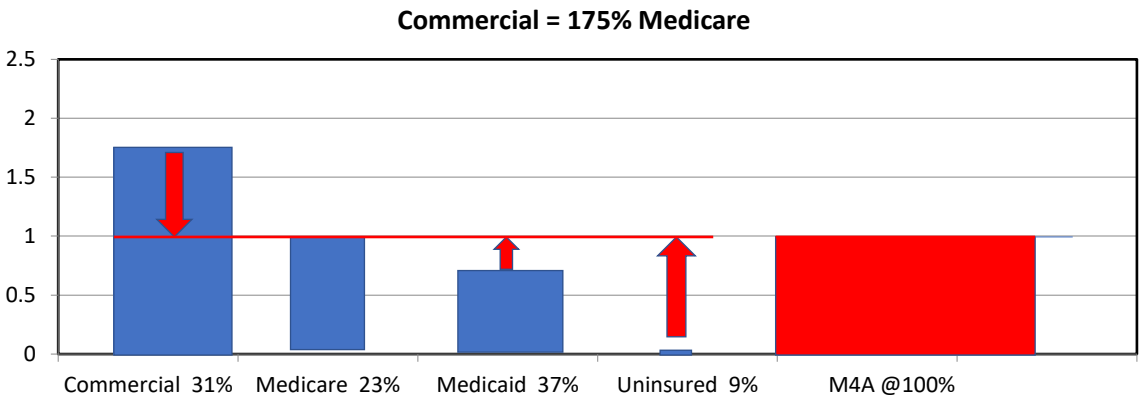

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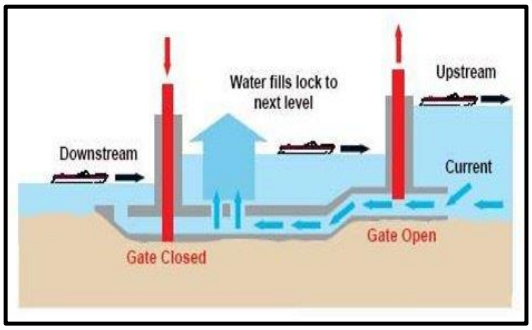

37

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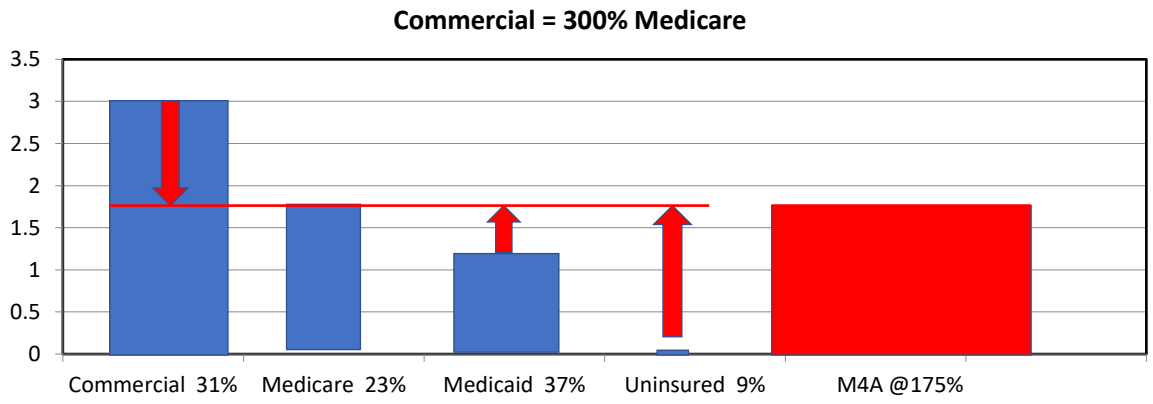
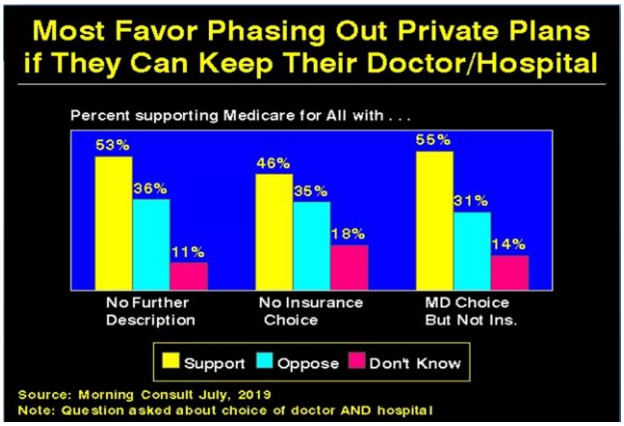


38

Myth #8: "Medicare-for-All is impossible to enact politically"

Support for Medicare-for-All

- 69% of registered voters (April 2020)
- 55% of physicians
- >500 labor unions
- 120 Members of Congress
- 2 former presidents (Carter, Obama)
- 2 former editors *NEJM*
- 4 Nobel Prize winners



Courtesy of PNHP (2020)

39

Myth #8: "Medicare-for-All is impossible to enact politically"

Support for Medicare-for-All

- Physicians for a National Health Program (20,000)
- American Medical Students Assn. (3,000)
- American Medical Women's Assn. (3,000)
- Society of General Internal Medicine (3,300)
- American Public Health Assn. (50,000)
- American College of Physicians (129,000)
- National Nurses United (150,000)

ACP
American College of Physicians
Leading Internal Medicine, Improving Lives

National Nurses United

APHA
AMERICAN PUBLIC HEALTH ASSOCIATION
For science. For action. For health.

40

Myth #8: "Medicare-for-All is impossible to enact politically"

Progress Does Not Come Easy – and Takes Time!

- Women's suffrage
- Civil rights
- Medical education
- And ACEP !

41

Medicare-for-All would meet all 5 goals of health care reform:

- ✓ **Expand access** through universal coverage
- ✓ **Control costs** by consolidating administration
- ✓ **Allow choice** of physician and hospital
- ✓ **Reduce disparities** between haves & have-nots
- ✓ **Foster competition** among physicians & hospitals

42

Optimism!

"You can always trust the Americans to do the right thing, once they've tried everything else."

--- attributed to Winston Churchill

43

44