Statement on Universal Healthcare

Student National Medical Association
Health Policy and Legislative Affairs Committee
Statement on Universal Healthcare

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INTRODUCTION

Since the inception of the Student National Medical Association (SNMA) in 1964, the mission of the non-profit organization has been to address the concerns of medical students of color, as well as attempt to resolve health care issues of minority and underrepresented populations. Despite tremendous efforts of the SNMA to achieve healthcare equity for all people, health disparities continue to persist due to a healthcare system that is failing millions of Americans. For these reasons, the SNMA supports legislation aimed towards the expansion of healthcare, specifically the development of universal health coverage (UHC) throughout the United States (US).

BACKGROUND

Many factors, including lack of primary care physicians and access to healthcare facilities, contribute to the health disparities that communities of color experience in the United States. However, the most significant risk factor for being a victim of poorer health outcomes, including death, is lacking sufficient health insurance. Native Americans, African Americans, as well as those residing in rural communities and inner-cities have extremely poor health outcomes – outcomes largely attributable to lack of health insurance or being underinsured – that are more characteristic of a poor, developing country than a rich, industrialized nation.1-4

Prior to the passage of the Patient Protection and Affordable Care Act (ACA), it was estimated that nearly 47 million US citizens and legal residents were uninsured, and millions more were underinsured. Underrepresented minority populations represented the majority of those who lacked health coverage (32.4% Hispanic or Latino, 20.5% Black or African American, 31.7% American Indian or Alaska Native, and 18.5% Native Hawaiian or Other Pacific Islander) despite making up 18.1%, 13.6%, 1.7%, and 0.4% of the country’s population, respectively.5 Following the enactment of the ACA, a net reduction of 20 million uninsured adults by 2016 also yielded improved uninsured rates in communities of color,6 but the burden still falls inequitably on communities of color who are significantly more likely to also be underinsured despite the new coverage.7 While the gaps in our healthcare system affect individuals of all ages, races and ethnicities, and economic strata, individuals from the lowest income group are at a greater risk of being uninsured, and experiencing the consequences associated with that status.5
SCOPE OF THE PROBLEM

As we have seen in recent history, the state of our healthcare system is subject to the volatility and fluctuations in the economy. All elements of healthcare, spanning from its delivery system to the number of individuals insured, have all been negatively impacted. Premiums, which over time have increased at an alarming rate, have forced families and individuals who once were insured to drop their coverage. Of those that remain on their coverage, 28% or 41 million people are finding that they are underinsured, with large deductibles greater than 5% of their annual income. Additionally, many individuals in low income communities work multiple jobs, which typically do not provide health insurance coverage and with the current unemployment rate of 4.0%, there is a large population of the country who is unable to obtain insurance through their employer and remains particularly vulnerable to these market changes when purchasing a private plan.

Health insurance not only improves access to care, but also ultimately makes a difference in one’s overall health status. Unfortunately, the cost of healthcare and health insurance in the US serves as a significant barrier to achieving health. For many, insurance is not always the buffer it should be for those costs, finding themselves burdened insurmountable medical debt due to underinsurance. Despite the additional 20 million people who now have insurance through the ACA, the national rate of underinsured has been increasing from 23% in 2014 to 28% in 2016. For many of these individuals, the out of pocket expenses associated with seeking medical care are unmanageable with rates of bankruptcy and lost income remaining unimproved from before enactment of the ACA. In order to avoid the potential financial burden of underinsurance, as many as 60% of individuals who report difficulty paying their medical bills will avoid or delay care compared to just 11.5% of those who have no difficulty.

This pattern of avoiding medical care is similar to the uninsured population who will only seek medical attention when a preventable illness develops. Thus, neither population gains the health benefits of preventative care. The result is the development of conditions that are much more serious, difficult to treat, and are more expensive in the long term.

The US is virtually alone among industrialized nations in having yet to recognize health care as a basic human right by failing to ratify the International Covenant on Economic, Social and Cultural Rights, an international human rights treaty. France, Canada, Germany, and the United Kingdom are among many countries who have adopted a universal health coverage (UHC),
which is defined by the World Health Organization as “means that all people can obtain the health
services they need without suffering financial hardship.”17 As a result, these countries have
extended health coverage to all citizens and residents, and subsequently report improved health
access and outcomes at a fraction of the cost of what the US spends per capita. Yet, despite
spending more on healthcare than any other nation, the US still fares worse in areas of patient
satisfaction, number of hospital inpatient days, and quality of care.15,19 For instance, in the US, the
infant mortality rate, one of the most sensitive indicators of a nation’s health, is 5.8 per 1,000 live
births, despite spending $9,892 per capita on healthcare. Canada, who has a similar infant
mortality rate (4.8 per 1,000 live births), however, historically spends less than half as much
($4,753 per capita).16 Americans are paying more for their healthcare and getting less out of it.

There is a history of attempts to move towards UHC model in the United States, though at
a delicately slow pace, both at state and federal levels. The Social Security Amendments of 1965,
which created Medicare and Medicaid, was one such attempt at reducing gaps in access care for
US citizens.21 The Patient Protection and Affordable Care Act of 2010, or simply the Affordable
Care Act (ACA) was the next and only attempt to close the gap at the federal level. States such as
California, New York, Colorado, and Nevada have all attempted to pass of laws that would
establish healthcare systems reflecting the principles of universal health coverage.22–25 However,
to date, only Vermont has been successful in achieving a statewide universal healthcare system.

State: Vermont

In 2010, the state of Vermont adopted Act 128 (“An act relating to health care financing
and universal access to health care in Vermont”) and become the first state in the United States to
achieve a human rights-based system of UHC.26 Spearheaded by the Vermont Workers’ Center,
the Health Care Is a Human Right campaign urged Vermonters to demand equitable and affordable
healthcare in their state. As a result, Vermont was able to design and implement a reformed
healthcare delivery system guided by the human rights principles of universality, equity,
participation, transparency, and accountability.27,28 This new universal healthcare delivery system
is described as one that is well organized and cost efficient in delivering patient-centered and
community-based care to meet community health needs of all Vermonters. Key provisions of the
reform include the following requirements:
- All Vermonters have access to comprehensive, quality healthcare.
- Healthcare services must be affordable and available in a timely manner for all Vermonters.
- Systemic barriers must not prevent any Vermonters from accessing healthcare.
- Preventative care and health promotion are key elements of the healthcare system.
- Control or reduce healthcare costs using a combination of options that include increasing availability of primary care services and simplifying reimbursement mechanisms.

The reform also included requirements for monitoring and evaluation of the healthcare system, in order for it continuously improvement on healthcare quality and safety. Once implemented, the system has been rigorously evaluated for outcomes, both for improvement in access, quality, and reliability and for a reduction in cost across all segments of the population. The subsequent passing of Act 48 ("An act relating to a universal and unified health system.") in 2011 offered further provisions to increase regulation and integration of Vermont’s universal healthcare system. As a result, in just a few years, Vermont has seen a significant decrease in the percent of population that is uninsured, unvaccinated, and living with chronic conditions such as diabetes, for example.

**Federal: Patient Protection and Affordable Care Act**

On March 23, 2010, President Barack Obama signed the Patient Protection and Affordable Care Act (ACA). The ACA is one of the biggest overhauls of the US healthcare system since the passage of Medicare and Medicaid in 1965. The ACA included many provisions that increased the insured population in the US by expanding access to health care and expanding coverage in the hopes of controlling healthcare costs and improving the healthcare delivery system. The ACA included provisions that:

1. Require most US citizens and legal residents to have health insurance.
2. Require states to create Health Benefit Exchanges through which individuals can purchase coverage. Credits will be available to individuals/families with incomes between 133-400% of the federal poverty level and separate Exchanges will be created through which small businesses can purchase coverage.
3. Require employers to offer coverage to employees or pay penalties for employees who receive tax credits for health insurance through an Exchange, with exceptions for small business employers.

4. Impose new regulations on health plans in the Exchanges and in the individual and small group markets including:
   a. Adult dependent coverage to age 26
   b. Buyers of insurance cannot be denied based on pre-existing conditions
   c. Coverage of preventative services and wellness programs

5. Expand Medicaid to 133% of the federal poverty level.

Now enacted, the ACA has helped to insure millions of Americans and has improved health outcomes while curbing the rising cost of health insurance, a trend predicted to continue should the law remain in place.\textsuperscript{33–36} Subsequent passage of the State-Based Universal Health Care Act, a proposed amendment to the ACA to establish and provide support for State-based universal health care systems, could enhance the positive results already seen.\textsuperscript{37} Unfortunately, recent attempts by the current President and members of Congress to repeal and replace the ACA only offer alternatives that would result in opposite health outcomes.\textsuperscript{38} Though the ACA has proven to not be enough to alleviate all barriers that prevent a portion of citizens from accessing health insurance and healthcare,\textsuperscript{39} legislation that reverts the contributions it has offered to enhancing healthcare access would prove detrimental to the health of all Americans.

\textit{Cost Effectiveness}

Several studies completed in 2018 were targeted at estimating the price tag of the Medicare for All plan. Many studies have shown drastic savings for the American people upwards of $2 trillion. Even the libertarian thinktank Mercatus Center, funded by the Koch brothers, estimated the savings at $2.054 trillion.\textsuperscript{40} It is important to note that while this plan would add a total of $32.6 trillion to the federal budget (thereby increasing taxes), this cost is lower than what most Americans already pay for healthcare. These increased taxes are therefore offset by Americans no longer needing to purchase health coverage out of their salary.
Public Perception

A June/July 2018 poll by Reuters shows that 70.1% of Americans support a policy of Medicare for All. Another 9.3% of respondents stated that they were not informed enough to decide about their stance on the policy. A majority of both Democrats and Republicans (84.5% and 51.9%, respectively) support the institution of a Medicare for All plan. These numbers have been steadily increasing over the years, likely due to increased education and the public becoming more comfortable with foreign success in universal healthcare. The number of politicians supporting the measure has increased over the years as well. The most apparent spike has been during the 2018 midterm primaries when several incumbent democrats were outvoted by other democrats who list Medicare for All as a priority. Several races have also been declared closer than initially expected due to increased support for candidates who have a positive Medicare for All stance.

STATEMENT OF POSITION AND RECOMMENDATIONS

We, the members of SNMA, recognize the shortcomings of the ailing United States healthcare delivery system. Many will agree that health care in the United States costs too much, covers too little, and excludes too many. The hopelessness and frustration of our communities have urged us to become advocates for those that have not secured a place in the health care insurance market. Our sense of social responsibility deems it necessary for us to provide recommendations and possible solutions to the problem. Therefore, the SNMA recommends that all US citizens and residents should be guaranteed:

1. Universal health insurance coverage.
2. A portable, comprehensive benefits package including: prescription drugs, dental care, inpatient/outpatient mental health services, long-term care, optometry services, choice of provider, and more focus on preventive health.
3. Increased numbers of culturally competent and committed health care workers (i.e., physicians and allied health professionals) to address the needs of underrepresented minorities and vulnerable populations.
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