

HEALTH CARE REFORM?

ACA vs. AHCA/BCRA vs. Single-Payer

Oliver Fein, M.D.

Professor of Clinical Medicine and Healthcare Policy

Associate Dean (Affiliations)

Office of Affiliations

Office of Global Health Education

Weill Cornell Medical College

ofein@med.cornell.edu

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DISCLOSURES

Dr. Oliver Fein has no relevant financial relationships with commercial interests

Dr. Oliver Fein is Chair of the NY-Metro Chapter and past President of Physicians for a National Health Program (PNHP), a non-profit educational and advocacy organization. He receives no financial compensation from PNHP.

**WHAT ARE
THE POLICY OPTIONS?**

POSSIBLE POLICY OPTIONS

- **Continue the ACA**
- **Repeal ACA: Republican Replacement**
- **Improved Medicare-For-All**
- **State-based Single-Payer**

The Affordable Care Act (ACA)

AFFORDABLE CARE ACT

(A Mandate/Market MODEL)

2010-2017

1. Everyone required to have health insurance or pay a penalty (2016)

- Individuals: \$969/year; Families: \$2085/year
- Employers: \$2000 per employee/year

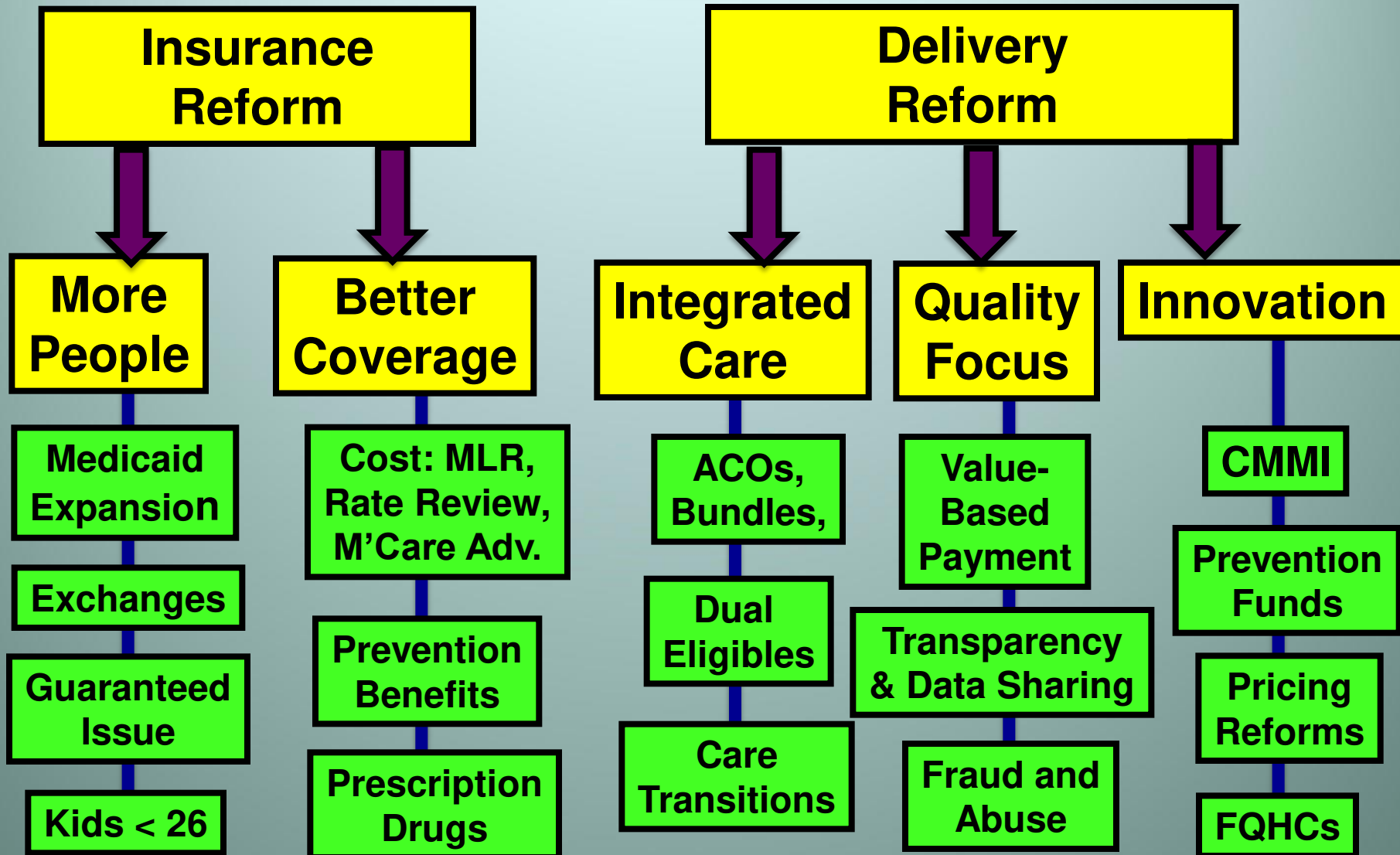
2. Government helps pay for health insurance

- Medicaid expanded to 138% FPL: individuals (\$16,105); families (3) (\$27,300) – but only 32 states expanded eligibility
- Exchanges (state/federal): subsidized premiums - 138% up to 400% FPL

3. Insurance market reforms

- Coverage up to age 26 on parents policy
- No pre-existing condition exclusions
- No life time limits.

The Structure of the Affordable Care Act (Partial)



ACA ACCOMPLISHMENTS

- **Over 20 million have gained insurance**
 - **12 mill thru Medicaid**
 - **8 mill thru subsidized private insurance**
- **No pre-existing condition exclusions**
- **Free preventive care and contraception**
- **Coverage up to age 26 yrs on parent's policy**
- **Subsidized coverage for low-wage workers**

ACA SHORTCOMINGS

- ACA does not guarantee universal coverage: there are still 28 million uninsured
- ACA is a market model: Its focus on high deductibles and co-payments results in rising rates of under-insurance.
- ACA efforts to improve health care outcomes have focused on cutting over-use (reducing 30 day readmissions, value based payment, ACOs)
- ACA gives taxpayer money to private for-profit health insurance companies

Republican Replacement The American Health Care Act (AHCA)

Better Care Reconciliation Act (BCRA)

TRUMP/PENCE GOALS



- **Decrease size of federal budget**
- **Cut back on federal health care expenditures**
- **Then shift health care expenditures from government to the people**
- **Cut federal government employment by reducing regulations: FDA, EPA**
- **Decrease taxes on wealthy: 35% to 15%**

AHCA + BCRA POLICIES

1) **Shift health care decisions to the states**

- Allow states to define essential benefits including women's health
- Allow states to exclude coverage for pre-existing conditions
- Allow states to determine the size of the co-payment and deductibles
- Allow states to create high risk pools

2) **Cut federal funding for health care**

- Medicaid block grants or per capita caps
- Premium support (vouchers) Medicare

IMPACT OF TRUMP POLICIES

- **14 million uninsured in 2018; 22-23 million in 2026; total uninsured 51 million in 2026**
- **14,000 additional deaths in 2018 due to lack of health insurance.**
- **Destruction of Medicaid:** Disproportionate impact on those with low incomes, but also middle income nursing home residents.

HEALTH CARE POLITICS

- **House bill:** passed 217 to 213
no Democrats
- **Senate:** 52 Republicans
46 Democrats
2 Independents

Paul (Kentucky); Cruz (Texas); Lee (Utah);
Collins (Maine); Cassidy (Louisiana);
Portman (Ohio);

Improved Medicare-for-All (HR 676/S 1782)

Improved MEDICARE FOR ALL

- **Fair Public funding:**
 - Create a health care trust fund
 - Transfer the employer contribution to private HI premiums to public trust fund
 - Develop a graduated employee contribution based on income
 - Tax on unearned income (stocks, bonds, etc.)
- **No private HI premiums:** regressive
- **No increase in overall health care spending, because of administrative savings**

Improved MEDICARE FOR ALL

Low Administrative Costs = Single Payer

- **Administrative cost and profit**
 - Medicare: 2-3 %
 - Private insurance: 16-30%
- **\$503.6 billion* saved by converting from for-profit private HI to Medicare-for-all (single payer)**

* Woolhandler S, Himmelstein D, Am Int Med Feb 20, 2017

Improved MEDICARE FOR ALL

Non-profit/private delivery system under local control

- This is not “socialized medicine”**
- Doctors not salaried by government**
- Hospitals not owned by government**

A publicly funded-privately delivered partnership

Single Payer MEDICARE FOR ALL THE PHYSICIANS' PROPOSAL

www.pnhp.org (single-payer resources)

- 1. Universal coverage/automatic enrollment**
- 2. Low administrative costs=single payer**
- 3. Comprehensive coverage without co-pays and deductibles**
- 4. Maximum choice of Doctor, NP, Hospital**
- 5. Improved quality through nationwide HIT**
- 6. Expanded primary care**
- 7. Lower drug prices**
- 8. Publicly-funded/privately delivered**

MEDICARE 2.0

Conyers' Expanded and Improved Medicare for All/Single Payer HR 676



- ***Universal*** - Extend Medicare to everyone
- ***Comprehensive benefits***
- ***Choice of doctor and hospital***
- ***No co-pays or deductibles***
- ***Funded through progressive taxes***
- ***Cost-effective*** – Costs less than we now spend and contains future costs

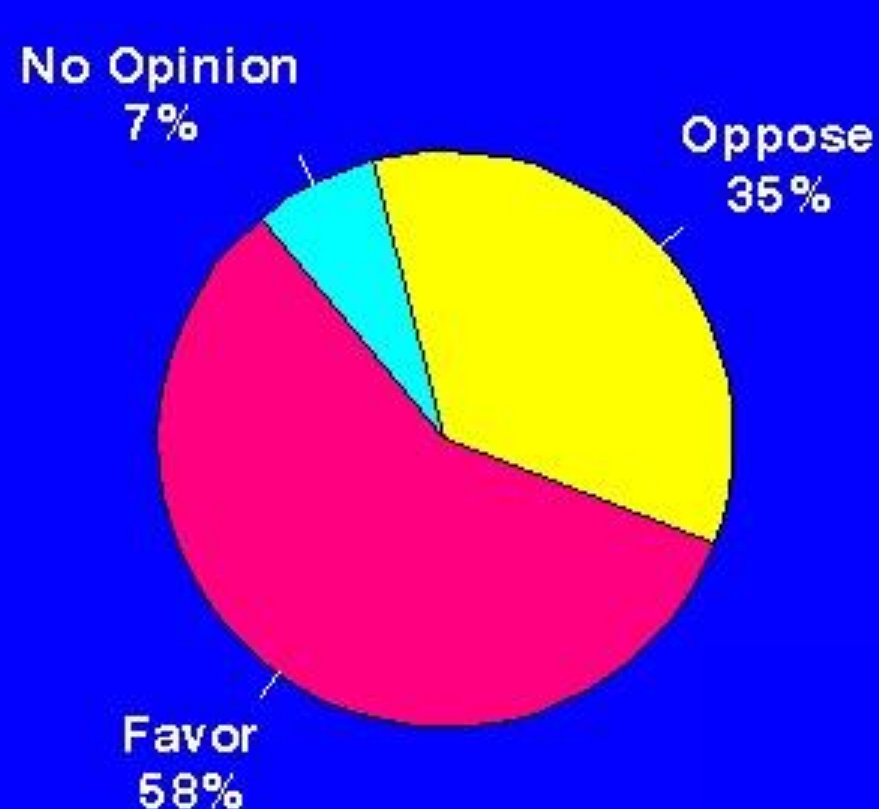
Sanders (& McDermott): American Health Security Act S 1782 (HR 1200)



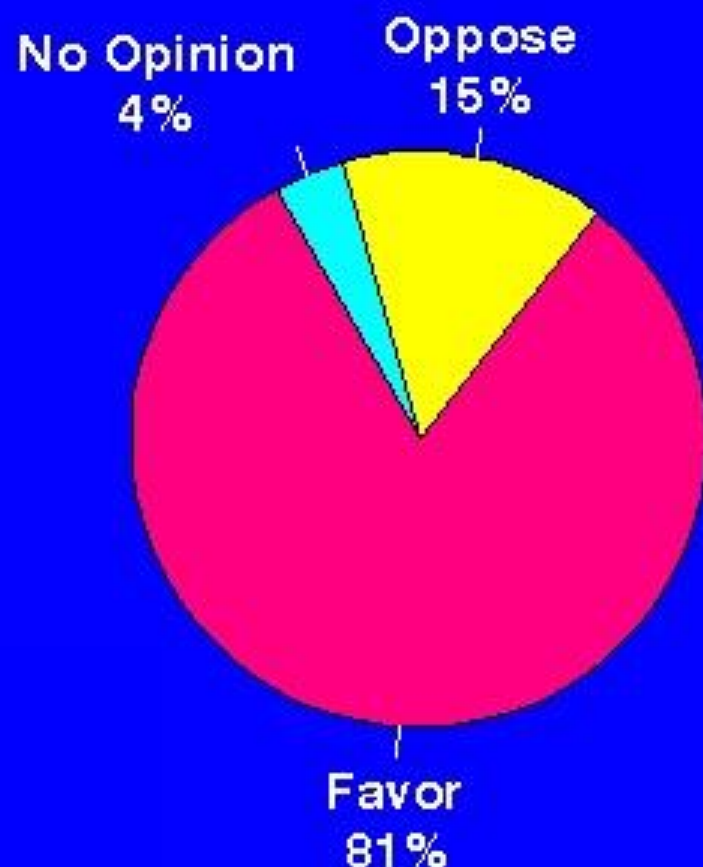
- ***Automatic enrollment***
- ***Comprehensive benefits***
- ***Operated by States using Federal standards***
- ***Free choice of doctor and hospital***
- ***Doctors and hospitals remain independent***
- ***Public agency processes and pays bills***
- ***Financed through payroll taxes***

Most Want Medicare-for-all

Do you favor "expanded, universal Medicare-for-all"?

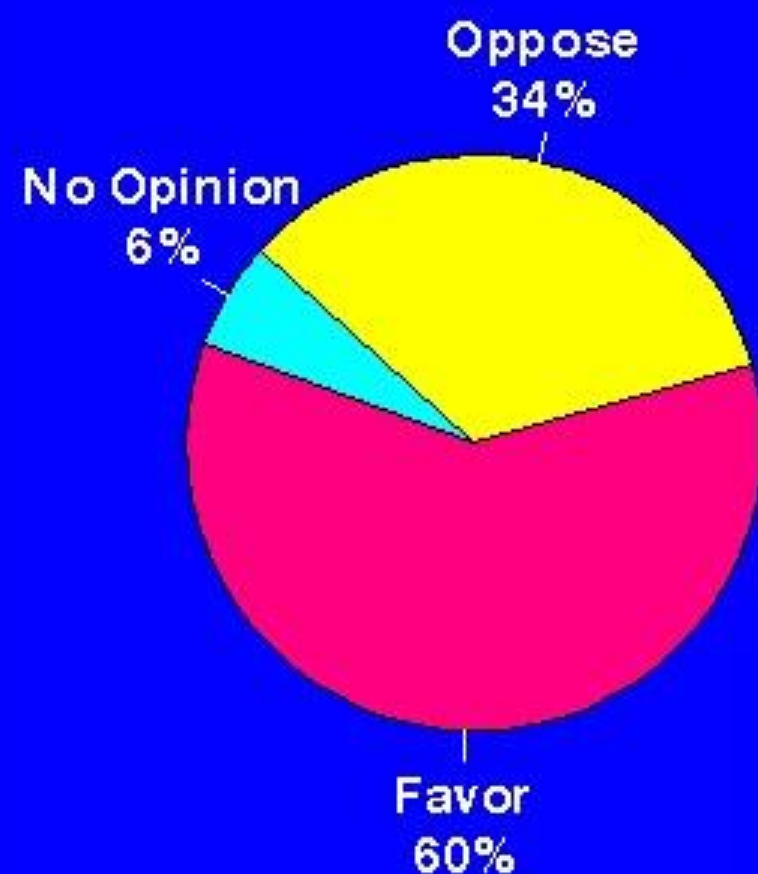


All Adults

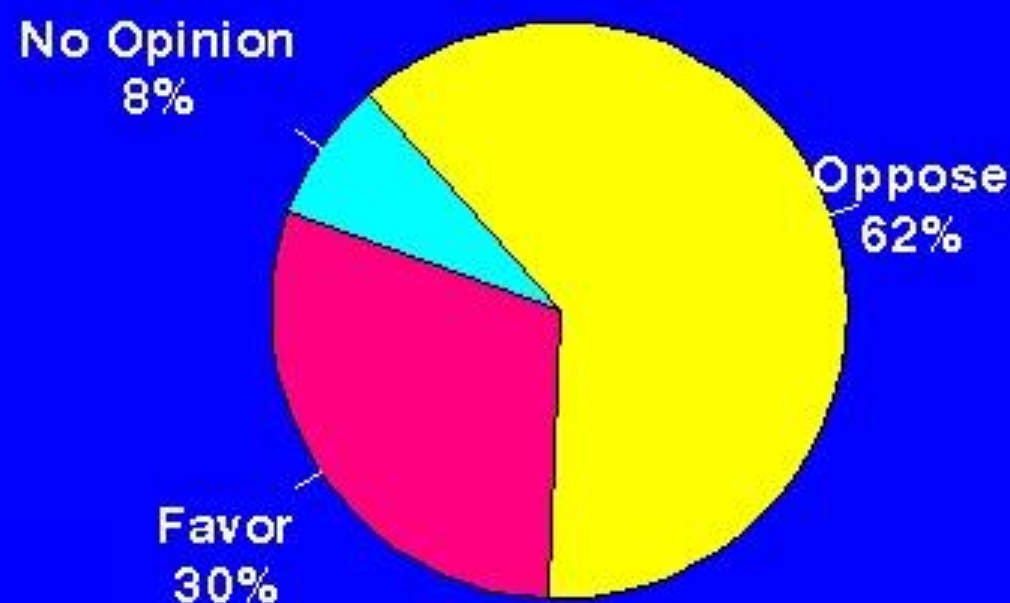


Democrats

Most Independents and Even Many Republicans Favor "expanded, universal Medicare-for-all"



Independents



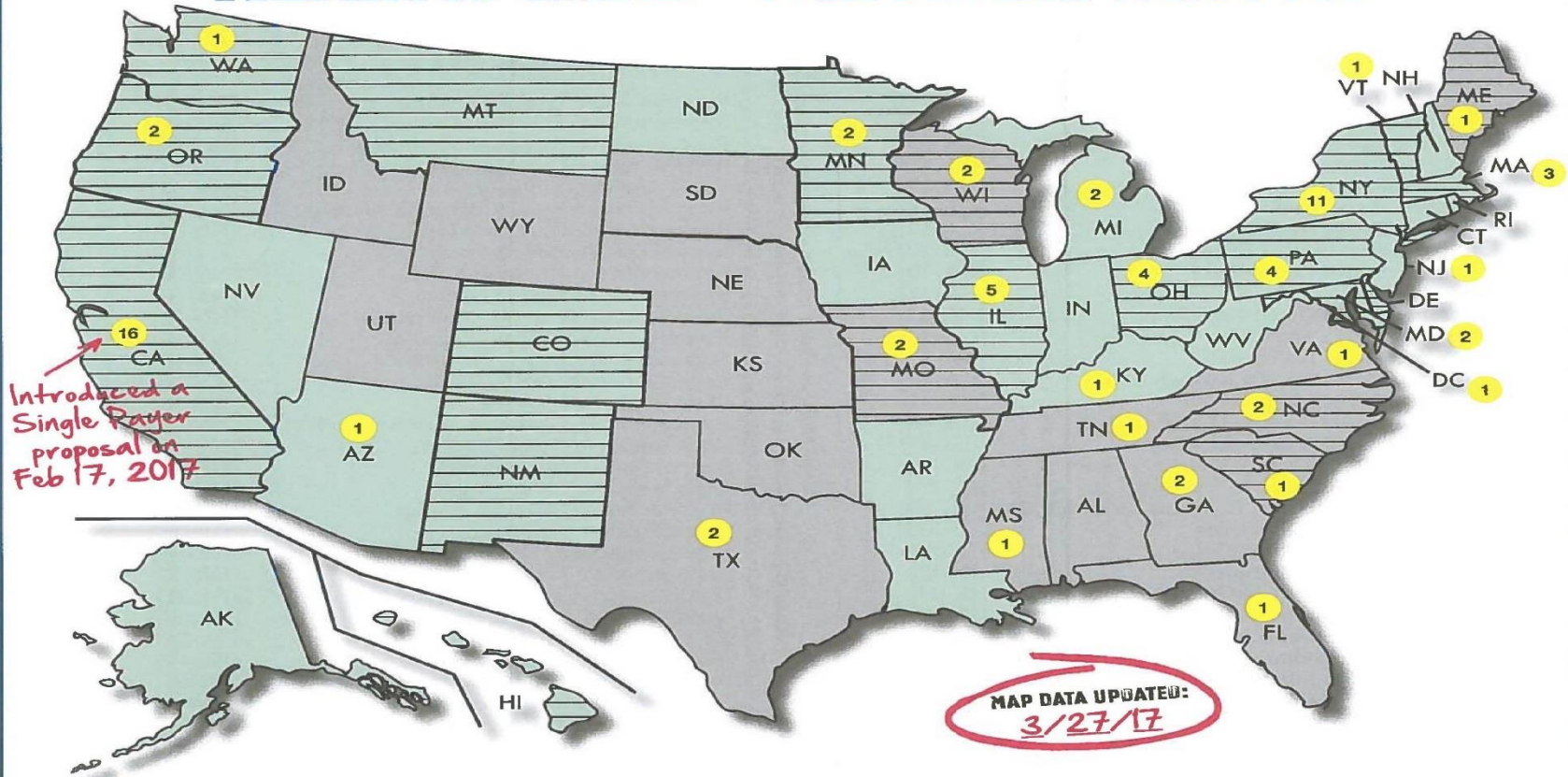
Republicans

State-Based Single Payer (The New York Health Act)

STATE-BASED SINGLE PAYER PROPOSALS

- **If federal single-payer looks unlikely, then turn to the States**
- **Failed attempts: California, Vermont, Colorado**
- **Need federal waivers: Medicare, Medicaid, ERISA, VA?**
- **Will Medicaid block granting facilitate?**

HEALTH CARE – Who's in and Who's out



1600 20th Street, N.W.
Washington, DC 20009
www.citizen.org

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Have Not Expanded
Medicaid



Have Expanded
Medicaid



House members currently
supporting single-payer.



Single-payer
State Initiatives
(Legislation passed or
proposed, or official
studies underway)



Health Care Reform in New York State: *New York Health Act*

Passed
in 2015,
16 & 17

A4738/S4840



- A single State fund covers every resident
- Universal coverage — Everybody in, nobody out!
- Covers everyone and costs less than we're now spending!

NEW YORK STATE POLITICS

**Support for the NY Health Act surges
with the Threat of Trump cut backs**

- **Passed the Assembly 87 to 38**
- **31 Senators endorse NYH Act**
 - need only 32 votes in the Senate to pass, but 38 to get the bill on the floor
- **Governor Cuomo?**

New York Health Act

Eligibility

- *Every* resident of NYS covered
- *No* barriers due to age, sex, income, wealth, employment, or health status
- *No* regressive insurance premiums
- *No* payments at time of service
- *No* deductibles, *no* co-pays

New York Health Act

- **Comprehensive Benefits**
- Primary & Preventive Care
- Inpatient and Outpatient Hospital Care
- Prescription Drugs at lower cost
- Dental, Vision, & Hearing Care
- Free choice of doctor, including primary care physician (PCP) and specialists, and hospital

New York Health Act

- **Provider Reimbursement**
- All providers paid *in full* by New York Health, with no charges to patients
- New reimbursement methods may be developed to replace fee-for-service payments
- Rates negotiated with provider organizations

New York Health Act

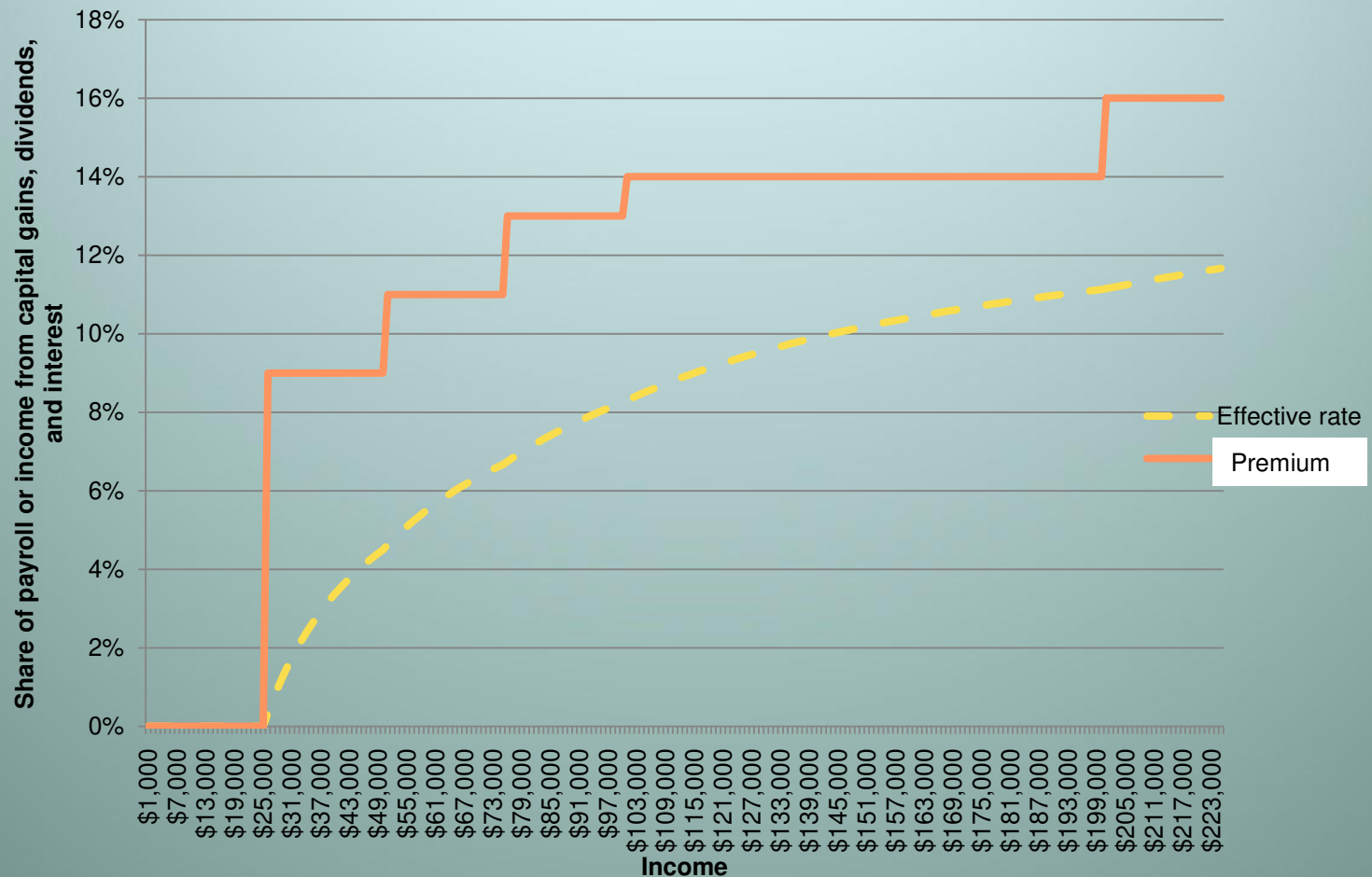
- **Financing**
- Progressive graduated payroll premium, 80% employer, 20% employee
- Graduated premium on non-wage income for high-income earners
- Federal Medicare and Medicaid funds
- NY Health pays Medicare Part B premiums & local share of Medicaid
- **Bottom line: Premium on \$50,000 wages ~ 6%; current employer-based ins cost ~ 11% of wages**

Covering Everyone while Saving Money!

<u>Additional Costs</u>		<u>2019 \$B</u>	
Covering the uninsured and poorly-insured	+1.4%	4.0	
Elimination of cost-sharing	+3.9%	11.2	
Enhanced Medicare & Medicaid fees	<u>+3.8%</u>	<u>10.8</u>	
<u>Savings</u>	Total Costs	+9.1%	26.0
Reduced insurance administrative costs	-9.9%	-28.6	
Reduced physician & hospital admin costs	-7.2%	-20.7	
Bulk purchasing of drugs & devices	-5.7%	-16.3	
Reduced fraud	<u>-1.9%</u>	<u>- 5.4</u>	
	Total Savings	-24.7%	-71.0
	Net Savings	-15.6%	- 45

Source: Economic Analysis of the NY Health Act, Gerald Friedman, April 2015

Marginal Payroll Premium & Effective Premium as Percent of Income



Source: Economic Analysis of the NY Health Act, Gerald Friedman, April 2015

Cost of Coverage through New York Health vs Employer-based Health Insurance

Annual Income	Annual employer cost under NYHealth	Annual employee cost under NYHealth	Average employer savings for individuals	Average employee savings, individual, including cost of deductible	Average employer savings for families	Average employee savings, family, including cost of deductible
Less than \$25,000	\$0	\$0	\$4,865	\$2,403	\$13,298	\$6,505
\$50,000	\$1,800	\$450	\$3,065	\$1,953	\$11,498	\$6,055
\$75,000	\$4,000	\$1,000	\$865	\$1,403	\$9,298	\$5,505
\$100,000	\$6,400	\$1,600	-\$1,535	\$803	\$6,898	\$4,905
\$200,000	\$17,600	\$4,400	-\$12,735	-\$1,997	-\$4,302	\$2,105
\$400,000	\$43,200	\$10,800	-\$38,335	-\$8,397	-\$29,902	-\$4,295
NYHealth payroll assessments: <\$25K: 0%; \$25K-50K: 9%; \$50K-75K: 11%; \$75K-100K: 12%; \$100K-200K: 14%; over \$200K: 16%						

Average New York individual premium = \$6,156

Average New York family premium = \$17,530

Average New York employee premium contribution, individual = \$1,291; average deductible, individual = \$1,112

Average New York employee premium contribution, family = \$4,232; average deductible, family = \$2,273

(All figures from Medical Expenditure Panel Survey, AHRQ/DHHS 2013)

http://meps.ahrq.gov/mepsweb/data_stats/state_tables.jsp?regionid=26&year=2013

What would you get with NEW YORK HEALTH ACT

- **Universal coverage**
- **Cost control by single payer**
- **No co-pays and deductibles**
- **Free Choice of Doctor, NP, hospital**
- **Fair financing – graduated premiums**
- **Potential for delivery system equity**

WHAT IS TO BE DONE?

- Learn more (www.nymetropnhp.org)
- Sign letters protesting repeal of ACA and call Congress
- Join efforts of the Campaign for NY Health info@nyhcampaign.org
- Visit legislators: locally/Albany/Washington



CONTACTS AND REFERENCES

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