U.S. HEALTHCARE:

a "disaster" of a system

By Daphne Myers

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The United States has seen presidential administrations with lofty goals for healthcare policy come and go time and again since its founding, but never an efficient healthcare system. Former U.S. President Barack Obama promised to have a universal healthcare bill signed into law by the end of his first term — resulting in the Affordable Care Act, or Obamacare.[1] Current U.S. President Donald Trump promised to "repeal and replace the disaster known as Obamacare" within his first 100 days in office.[2] The healthcare debate has been raging in America for years. Should healthcare be universal? Should it be publicly or privately funded, or both? Should all citizens have the right to healthcare? Should all citizens be required by law to have healthcare? The case for universal healthcare seems to be the strongest because it is the most cost-effective way for society to fulfill its humanitarian obligations.

Universal Healthcare is firmly based in the 1948 charter for the World Health Organization, or WHO. The WHO continues to consider healthcare a fundamental human right and commits to ensuring the highest attainable level for all.[3] The WHO provides a plethora of services, including working towards reducing poverty and improving healthcare around the world. While universal healthcare does not imply coverage for all people for everything, it can be determined by three critical dimensions: namely, who is covered, what services are covered, and how much of the cost is covered. Universal healthcare is a situation where citizens can receive health care services without suffering financial hardships.[4]

There are three main types of systems that provide universal healthcare: insurance mandate, two-tier, and single-payer. An insurance mandate system occurs when the government requires that all citizens purchase healthcare.[5] For a two-tier system, the government provides a basic healthcare coverage for all citizens, while allowing the purchase of additional voluntary services when desired.[6] In a single-payer system, only the government provides the funds for healthcare; however, this does not mean that only the government provides the healthcare.[7] Healthcare can be provided privately, publicly, or a mix of both.[8]

Currently, 32 countries have universal healthcare. These countries each have their own unique system of providing medical services.[9] For example, the United Kingdom's healthcare is provided through the National Health Service, or NHS. This program is tax-funded and government-run, provides healthcare access to all citizens, and is mostly free, with most dentist and optician visits incurring a small fee.[10] In Canada and France, healthcare is privately-provided, but mostly government funded. Switzerland's healthcare is privately funded and privately provided, but there are regulations and subsidies in place to prevent discrimination, ensuring universal healthcare. Examples of developing countries are harder to find because most poorer countries strive to provide universal healthcare, but struggle to do so due to lack of funds and resources. One example, however, of a developing country prospering from the benefits of universal healthcare is Thailand.

In 2000, about one-third of Thailand's population was uninsured, and more than 17,000 children, all under the age of five, died as a result of not having adequate health care that year.[11] Adding to the tragedy, about one in five Thai households fell even deeper into poverty due to out-of-pocket healthcare spending.[12] In 2001, Thailand introduced the Universal Coverage Scheme, or UCS. It is described as "one of the most ambitious healthcare reforms ever undertaken in a developing country."[13] Prime Minister Shinawatra announced the "30 baht treat all" plan for universal healthcare. Under this plan, people pay 30 baht ($0.86) for each doctor visit, and by 2011, 48 million Thais were insured which is about 98 percent of the population.[14] In 2011, Thailand's health coverage cost just $80 annually per person, primarily funded by a general income tax.[15] One reason coverage is so cheap is due to the government setting the healthcare price level.[16] A second reason is that some doctors work in more than one hospital, so the government has less employees to pay.[17] Universal healthcare is also funded by two other means, as well. The first is an increase in taxes. Thailand increased taxes on certain products, such as alcohol and tobacco.[18] The second is a reallocation of funds. The government pooled together all the funding for public hospitals and other facilities, made major revisions, and minor financial cuts to help provide additional money.[19] In one decade, Thailand's efficient healthcare program reduced infant mortality, decreased worker sick days, and lightened families' financial healthcare burdens.[20]

Thailand is a model for all countries without universal healthcare systems, but the United States would particularly benefit from a similar model. In 2015, Thailand's GDP per capita in 2015 of $5,775 was little more than one-tenth of the U.S.'s $51,638, demonstrating a vast chasm between the two countries' living standards and relative wealth.[21] Despite this, both government and citizens in the United States continue to struggle with the healthcare system daily. In 2015, 28.5 million people were left without health insurance coverage in the United States.[22] The "developing" nation of Thailand, on the other hand, has a remarkable 99.5 percent rate of healthcare coverage.[23]

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Why is there such a large gap in healthcare availability between these two countries? Two major reasons why people are uninsured in the United States is because they find health insurance to be too expensive, or they find it to be inadequate when it comes to fulfilling their health needs or wants.[24] In March of 2009, President Barack Obama first introduced the Patient Protection and Affordable Care Act, commonly known as the Affordable Care Act. After passing both the Senate and the House of Representatives, the bill was signed into law on March 23, 2010 by President Obama. Its legality was later upheld by the Supreme Court.[25] The Affordable Care Act was designed to lower the uninsured rate by expanding coverage and reducing health care costs, and to increase overall health insurance quality and affordability. For example, the individual health insurance market sells insurance to people who do not have access to public programs or who are self-employed.[26] Prior to 2014, individual insurance involved medical underwriting, which is a process used by insurance companies to evaluate whether to accept an applicant or not and determine premium rates.[27] This process made it difficult for some people, especially those with a pre-existing conditions, to receive coverage.[28] To solve this problem, the ACA required that individual insurance guarantee coverage to applicants, regardless of health history and current status.[29] In order to qualify for a premium tax credit that can lower insurance costs, household income must be between one and four times the federal poverty line.[30]

The ACA is mainly self-funding, which means that it was created in such a way that the money saved was then used to fund the program. In addition to the self-funding, the ACA was also paid for through an increase in taxes. There was a 3.8 percent new tax on investment income and on unearned income for high-income taxpayers, 2.3 percent new tax on manufacturers and importers of certain medical devices, and a 10 percent new tax imposed on citizens who partook in individual tanning services.[31] In terms of the Medicaid expansion, the ACA covers 100 percent of the costs for the states for the first three years. Then, funding decreased to 95 percent on January 1, 2017, and will continue to decrease one percent each year until 2020, leaving it at 90 percent where it will remain indefinitely.[32]

Because of the Affordable Care Act, 17.6 million citizens have gained health insurance.[33] Between 2010 and October 2013, 2.3 million young adult Americans gained coverage because they were able to remain on their parent's healthcare plans until they turn 26.[34] In 2014, Community Health Centers received more than $11 billion in federal funding under the healthcare law to extend their hours of operation, hire more providers, renovate or build new clinical spaces, and offer a broader array of primary care services, in addition to serving more than 23 million people.[35] The ACA requires health insurers to provide consumers with rebates if the amount they spend on health benefits and quality of care is too low. From 2011 to 2014, more than $2.4 billion in total refunds had been paid to consumers.[36] In addition, out-of-pocket costs for preventive measures, such as immunizations, certain cancer screenings, contraception, reproductive counseling, obesity screening, and behavioral testing for children have been eliminated for 39 million Americans.[37] At the same time, the law is costing the government about $139 billion (about 20 percent) less than previously predicted.[38]

So why the big fuss over healthcare in the United States? The reason can be boiled down to one unanswered question: should healthcare be a fundamental human right or not? Healthcare reform issues can be broken down into three main topics: government involvement, healthcare entitlement, and federally-mandated insurance. In regards to government involvement, conservatives typically believe that healthcare should be dealt with in the private sector, like a business, with minimal government involvement. However, liberals tend to believe that everyone has a fundamental right to have access to healthcare, and that it should not be treated like a business.[39] Conservatives also tend to believe that free healthcare handouts shouldn't be given to those who cannot afford to pay.[40] Liberals, on the other hand, say that no one should become bankrupt because they cannot afford to pay vital medical bills.[41] On the topic of federal mandates for insurance, conservatives believe that healthcare should be mandated on a state-by-state basis, and federal funds should be allocated to the states.[42] They also stand against financial penalties if individuals fail to comply with the mandate.[43] Liberals support federal insurance mandates, and they believe individuals should face penalties if they are not compliant.[44] For example, if an individual does not have health insurance, but can afford it, they must pay a fee called the "Individual Shared Responsibility Payment."[45] The payment is the greater option of either 2.5 percent of the individual's income or a fee of $695 per adult and $347.50 per child, limited to a maximum of $2,085.[46]

With healthcare, there are always tradeoffs. Universal coverage means that taxpayers would have to pay more to fund that program. However, not having universal coverage means that some people will not get potentially life-saving care simply because they cannot afford it. Therefore, if a society accepts that everyone should get healthcare, regardless of whether individuals can afford it, then that country must adopt some schema that supports universal coverage. Which system — mandated, two-tier, or single payer — is best for a country can vary. It should, however, be a universal right for all citizens to have healthcare, which is why the United States should adopt a universal healthcare system. If Thailand can accomplish this, why can't the United States?

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