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Health Care

How Can We Bring Costs Down While Getting the Care We Need?

Americans, individually and as a nation, are worried about high health-care costs. Many of us fear that skyrocketing drug prices and surprise medical bills could keep us from getting the care we need or ruin us financially whether we have insurance or not. Businesses and governments also face increasing costs.

- *The United States spent \$3.5 trillion overall on health care in 2017, which averaged out to about \$10,739 per person. That included what individuals paid, what businesses paid, and what the government paid.*
- *Other wealthy countries spend about half as much as the US does—on average, \$5,280 per person. Yet people in France, Canada, Australia, and other countries with similar economies are healthier and live longer than Americans.*
- *The way we pay for health care is complicated. Some 67 percent of Americans have private insurance, mostly job based. Others are covered by government programs for seniors (Medicare), people with very low income (Medicaid), or the military. About 9 percent—28 million people—had no insurance at all in 2017.*
- *Prices are unpredictable and confusing. Rates are negotiated between insurers and providers and vary widely across states as well as within metropolitan areas. A common blood test in Beaumont, TX, costs \$443, nearly 25 times more than the same test in Toledo, OH, where it costs \$18.*

Our system developed bit by bit over decades. Our largely job-based way of paying for health care began during a World War II wage freeze, when businesses began offering insurance to compete for scarce workers. In 1965, Congress enacted Medicare and Medicaid. The 2010 Affordable Care Act expanded Medicaid, created “marketplaces” for buying private insurance, required insurance companies to accept people with preexisting conditions, and made other reforms.

Health-care costs continue to grow faster than inflation. No wonder a recent Gallup poll found that health care availability and affordability still top the list of Americans’ worries. One in four said they have skipped treatment because of the costs, and 77 percent said that rising costs will damage the US economy.

How can we bring costs down while getting the care we need? This issue advisory looks at three ways of making our health-care system sustainable and fair. Each option offers advantages as well as downsides.

- If we create a single public program to pay for everyone’s health care, would we gain universal coverage but lose individual choice?
- Can more incremental reforms bring costs down and still get everybody covered?
- Should we take responsibility for our own choices in a more transparent and competitive marketplace even if that means leaving those who make poor decisions to suffer the consequences?

Option One: Ensure Health Care for All

This option says that all Americans deserve health-care coverage and the fairest way to provide it is to create a single public health insurance program similar to Medicare that covers everybody. Our current confusing mix of private and public payers leaves even many people who have insurance struggling to afford co-pays, deductibles, premiums, and out-of-pocket expenses as well as worried that they will lose their coverage altogether. Every developed country except the United States provides its citizens with some type of universal coverage that includes both health services and protection from unaffordable costs. Health care should not depend on a person's income, job, or medical history.

A Primary Drawback

This drastic overhaul would eliminate private, job-based insurance that now covers 181 million Americans and create a huge new government responsibility and bureaucracy.

Actions	Drawbacks
Immediately bring the 28 million people who do not have health insurance into a new public plan similar to Medicare. No American should have to go without insurance.	The United States is already deeply in debt and can't afford a new government benefit. Expanding Medicare could divert care from the seniors and disabled people it was created to serve.
Move people with private and job-based insurance onto the public plan. Having a single payer will simplify our complicated system and save on paperwork and administrative costs.	Forcing people onto a Medicare-like plan whether they want it or not would upend our entire health-care system. Individuals and employers may save on premiums but may well have to pay new taxes.
Use government's enormous purchasing power to force hospitals, doctors, and drug companies to drop and hold down prices.	Since the government pays less, this could discourage people from going into the medical field and lead to doctor and nurse shortages.
Outlaw astronomical jury awards for malpractice. The fear of lawsuits drives doctors to order unnecessary tests and pass on the high costs of malpractice insurance.	We will lose an important way of making sure doctors and hospitals are more careful. Medical errors kill up to 250,000 Americans a year.

Prices for drugs, physician salaries, and medical procedures are almost uniformly higher in the United States than in peer countries—sometimes staggeringly so.

—Economic Policy Institute

Option Two: Build on What We Have

This option says we should fix what's broken about health care—not destroy the whole system currently in place. Improving the mix of private and public options we already have is the safest and least disruptive way to bring down costs and still get the good health care we deserve. To cover more people and protect patients from high prices, we should strengthen and build on the 2010 Affordable Care Act. Its reforms already require insurers to cover preexisting conditions, make many preventive services free, and cut the percentage of people who do not have health insurance from 14 percent down to 9 percent.

A Primary Drawback

Keeping the private insurance system we have now means continuing to waste billions of health-care dollars on profits, advertising, duplicative paperwork, and red tape.

Actions	Drawbacks
Expand Medicaid in every state to cover not just the very poor but also working people without insurance.	This maintains a system in which the wealthy get excellent insurance while others must use Medicaid, which many doctors won't even take.
Require everyone to have health insurance so it will be more affordable overall. When everybody pays in, healthy people help pay for those needing more care.	This forces people to buy insurance whether or not they want it or can afford it. Why should people who are young or who take good care of their own health subsidize others?
Emphasize prevention, which would encourage personal responsibility and lower costs by reducing the need for more expensive specialist care and prescriptions.	This doesn't control costs. Insurance companies could still charge people and employers whatever they want for coverage and hospitals could charge whatever they want for care.
Require everyone to have a living will—written instructions to guide medical decision-making. This could avoid expensive end-of-life care and encourage hospice use instead.	Forcing people to sign living wills could make them feel like a burden to their loved ones and pressure them to give up care that might extend their lives.

The 36 states that have expanded Medicaid coverage to people who earn slightly more than poverty level have had fewer infant deaths, earlier cancer detection, and improved access to care—including treatment for mental-health disorders and opioid addiction—than states that did not.

—Washington Post

Option Three: Let People Make Their Own Choices

This option says we should keep government out of health care and give Americans the power and responsibility for making their own decisions. This is the best way to get costs down without giving up our freedom. People should be able to choose the health insurance plan they think is best and most affordable for them or go without insurance if they don't want it. To make good choices about treatment, they need clear information up front about what things cost and better incentives to budget and save in advance. People who can't afford care can fall back on a safety net of public hospitals or emergency rooms.

A Primary Drawback

Many of those without insurance will develop health problems or die because they don't get regular care. Neglect leads to higher costs in emergency rooms and public hospitals, which we all end up paying.

Actions	Drawbacks
Make insurance more affordable by allowing people to buy stripped-down plans that offer fewer benefits. No one should have to pay for coverage they don't think they will need.	Stripped-down plans may not catch health problems early enough or cover unexpected illnesses and injuries. People could end up with more complicated, expensive conditions that their plans won't cover.
Allow employers to give workers tax-free money to buy health plans on their own in place of a company plan. This will lower business costs while promoting choice and responsibility.	Individuals have little experience or leverage in negotiating complex benefits and prices. Few of us have the know-how to understand and compare competing plans.
Require hospitals, doctors, and drug companies to clearly show their prices. Giving people information to make their own decisions will spark competition and drive prices down.	People who are sick don't have the time or ability to comparison shop. This could also drive prices higher once some providers realize they are charging less than their competitors.
Increase the tax breaks for individuals to put money into health savings accounts. This will encourage people to plan and save for future health-care costs.	This will give another tax benefit to the wealthy. Many people struggle just to save for retirement, let alone for unexpected and potentially huge health care bills.

Only half of non-elderly households have savings above \$2,000 to pay for unexpected medical bills.

—Kaiser Family Foundation analysis of Survey of Consumer Finances data

About This Issue Advisory

The single issue that seriously worries most Americans today is the availability and affordability of health care, according to a 2019 Gallup poll. The objective of these deliberative forums is to begin to work through the tensions between good health, freedom of choice, and financial security.

In productive deliberation, people examine options for addressing a difficult public problem. This issue advisory presents three such options and provides an alternative means of moving forward in order to avoid the polarizing rhetoric so common today.

Each option is based on a shared concern and poses a distinct strategy for addressing the problem. Equally important, each option presents the drawbacks or trade-offs inherent in each action.

Ground Rules

- Focus on the options and actions we can take nationally and in our communities.
- Consider all options fairly.
- Listening is just as important as speaking.
- No one or two individuals should dominate.
- Maintain an open and respectful atmosphere.
- Everyone is encouraged to participate.

Holding a Deliberative Forum

1. Introduction

- Review ground rules.
- Introduce the issue.

2. Connect to Issue

- Ask people to describe how the issue affects them, their families, or friends.

3. Consider Each Option

- Consider each option one at a time.
- Allow equal time for each.
 - What is attractive?
 - What about the drawbacks?

4. Review and Reflect

- Review the conversation as a group.
 - What areas of common ground were apparent?
 - What tensions and trade-offs were most difficult?
 - From whom else do we need to hear?

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