This paper is one of a series of individual essays written within the conceptual constraints provided by "Forms for a Future." The collection of essays will become the individual episodes of the audio/video podcast.

'... Forums for A Future...'

Part 7: Contemporary Social Issues
Podcast **(#20)** Universal Health Care

Edward Renner, Evaluation Research
www.kerenner,com

Prelude

I am Ed Renner. Welcome to my Podcast, “Forums for a Future.”

Forums for a Future is based on a university honors course I taught at the University of South Florida in 2007-2008. Three textbooks provide background reading for the individual episodes. They are:

- Thomas Friedman’s The World is Flat
- Jarred Diamond’s Collapse: How Societies Choose to Fail or Succeed
- Gwynne Dyer’s Future: Tense. The Coming World Order

The syllabus for the podcast series, text copies of all of the individual podcasts, and directions for subscribing to the series, either directly or through iTunes, are available on my web site at: kerenner.com, that is: www.k-e-r-e-n-n-e-r.com.

The first 16 episodes are in audio format. They provide an academic conceptual foundation for the series. After having taken nearly a one-year break to teach “Forums for the Future,” I am now ready to continue the series, but this time in both audio and video formats. As a way to get started on the continuation, I have created a three-part transition. Episodes 17, 18 and 19 provide a brief introduction of the conceptual foundation for those new to the series, and a quick review for the original subscribers. Starting with Podcast #20, the continuation of the podcast is an open-ended series of positive approaches for addressing the many specific contemporary economic, social and political issues that challenge our capacity for making the necessary changes for having a future in the 21st Century.

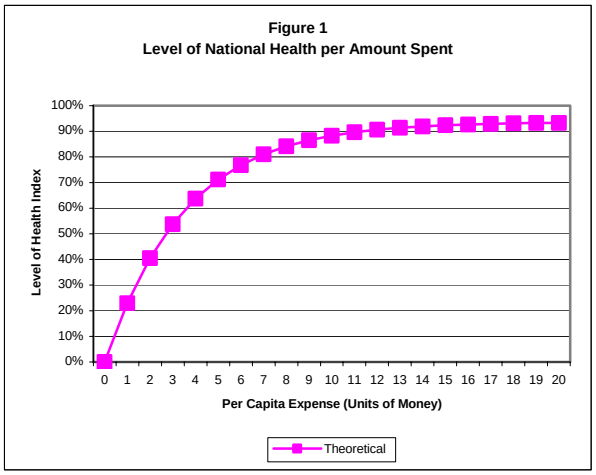
The Key Concept

In today's podcast, number 20 in the series, I will ask five rhetorical questions. If you answer the questions the way most people do, you should be in favor of the United States adopting a universal health care system.

National Health

If a country could spend $100,000 and extend the life expectancy of 10,000 people or spend $100,000 to extend the life expectancy of one person, what decision should be made?

Usually, national health decisions are to spend national health money to increase the general level of health. Typically, every additional increment of improvement in the national level of health costs an increasingly larger amount of money. This is because initial expenditures on health are for preventive measures that are inexpensive but have a large impact, such as safe drinking water and inoculations for infectious diseases. Whereas, the more medically intensive interventions, such as heart surgery, require large expense to gain increases in life expectancy for a limited number of people. In short, increasingly larger amounts of per capita expense purchase progressively smaller increases in overall level of national health (Figure 1).

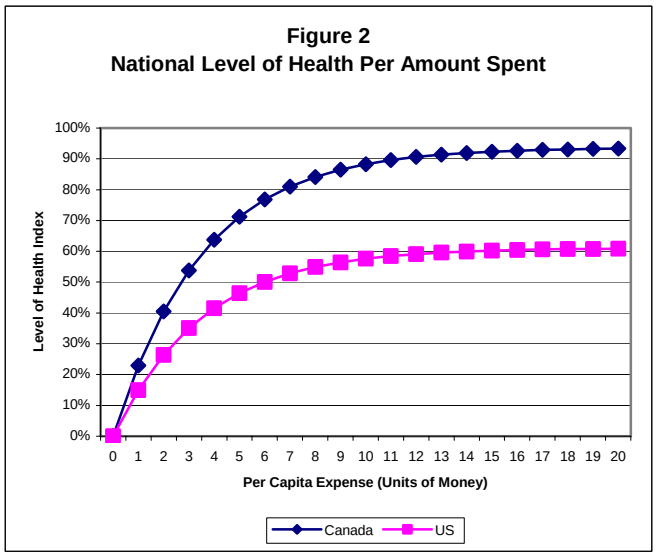


Level of Health Index. An index that measures the Level of Health of a nation is a quantitative statistic; it is not a subjective concept. There are a variety of closely related statistics that are used to assess a national level of health. Two common simple statistics are the average life expectancy and the infant mortality rate. There are other indirect measures, such as the average height, which reflects how well a society cares for the health and nutrition of its citizens, and is a simple statistic to obtain. Health researchers, and the World Health Organization (WHO) of the UN, have developed more complex statistics based on a combination of measurable factors. These statistics permit a comparison between nations. One purpose of such comparisons is to identifying those aspects of health systems that best promote health in order help countries development better national health policies. Like so many social issues, how to achieve higher levels of health is not a mystery. The sciences of the Modern Era have served us well in terms of providing the information necessary to enable us to choose our own social conditions; the future need not be uncontrollable and therefore unknown.

Comparative Levels of Health. The various Level of Health statistics yield similar results. By most common measures the US compares very poorly to the other industrialized nations of the world (Note 1):

- Lower life expectancy
- Higher infant mortality rates
- Decline in relative height
- Last (among the 19 leading industrialized nations) in preventable deaths, and
- 37th among the 191 nations of the world included in the WHO study by the UN.

Obviously, poorer countries have a limit on what they can spend, and thus lower levels of health. However, the low relative level of health in the US is not due to lack of per capita expense. The US spends significantly more on health care than any other nation in the world (15% of our GDP or about $6,000 per person per year). This is roughly twice as much per capita as other industrialized countries. Clearly, not all health systems are equal. For example, Canada spends about half the amount and has universal health coverage for all of its citizens while 50 million Americans are without health coverage (Figure 2, Note 2).

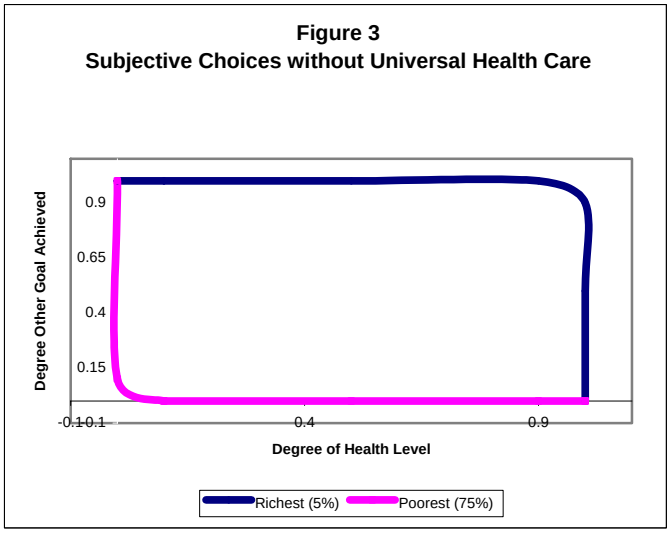


Thus, the implicit principle, in the answer to the first question, is that every additional dollar of expense should purchase progressively smaller amounts of national health. In practice this means that the first money spent should buy universal basic health, and additional money should buy the more specialized individual health care. It is not just an issue of how much per capita is spent, but also how that money is allocated

Allocating the Level of Health Care

What would you choose if you could either: (a) save enough money to be 100% certain you could pay for a major medical emergency that had a 1% chance of occurring, but no money for owning your home or for your children's education, or (b) own a home and provide for your children's education, but have no capacity to cover a major medical emergency that had a 1% chance of occurring.

The large majority of us in the United States are in this exact situation. Most of us take our chances that we will not be the one in a hundred confronted with a medical emergency and choose instead to satisfy other important personal aspirations (Fig. 3, red line). Only the very rich do not have to make this subjective choice (Fig. 3, blue line).



The choice, however, is not one that anyone should be expected to have to make. Yet, in a health care system such as exists in the United States, where meeting health care needs is primarily an individual responsibility, that is the situation all but a few are in -- of having the possibility of important satisfactions of life wiped out completely by an unforeseen health issue. These are

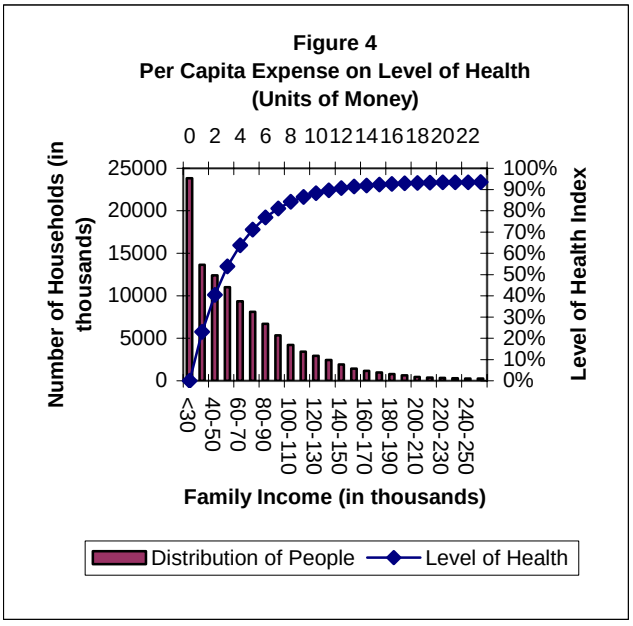
exactly the situation for which insurance is intended to protect us. As noted by Paul Krugman and Robin Wells in their essay in the New York Review of Books (Note 3):

> "Most advanced countries have dealt with the defects of private health insurance in a straight forward way, by making health insurance a government service."

Allocating The Per Capita Cost

> *If you could put 1% of your disposable income in to a pool to have 100% certainty of the capacity to meet any medical emergency would you choose to do this?*

Obviously, if everyone put into a common pool one hundredth of the amount of money needed to cover the one in a hundred chance of a medical emergency then everyone could have the rest of their disposable income for other alternatives. As the richest nation in the world, the United States can afford through general tax revenue to contribute this relatively small per-person payment that would cover the cost of universal health care; currently, only a few people have the personal resources to pay for the progressively more expensive treatments (Figure 4).



However, once a group of people pool their money to spread the risk, everyone is better off. In the United States there are nearly 25 million households that have a combined income of less than $30,000 (Fig. 4, Note 4). For this group of people many are without any form of health coverage. Yet, when any medical emergency arises they are either forced to forgo treatment or other essential personal needs in order to pay the bill, or else to use emergency room services that are an extremely inefficient way to provide basic health care, for which the rest of the country must picks up the tab anyway. These huge inequalities in access to health care add enormous indirect costs to the economy in lost wages, preventable illness, human suffering and inefficient use of health services that would be far better directed toward supporting universal health insurance.

The existence of a national health insurance program is completely compatible with our capitalist economy and democratic form of government. First, the level of basic health care provided by a national health insurance plan is determined by the population through a political consensus of how much tax revenue people are willing to pay to provide everyone with a guaranteed absolute level of health; this is simply a democratically determined universal national entitlement. In contrast, our current level of health care is largely determined by private insurers and health providers who are primarily charged with returning profits to their corporate investors. And second, it is the most efficient way to get the most health for the amount of

money spent. These are the reasons why all of the other major industrialized democracies of the world have a higher level of health than exists in the United States.

Level of Health per Unit of Cost

> W*ould you prefer a health care system that gave you better health for less money or one that gave you less health for more money?*

The deteriorating level of health care is not just a problem for the uninsured, but increasingly, for those "covered" by our privately funded insurance system, as dramatically illustrated in the Academy Award winning documentary *Sicko* by Michael Moore (Note 5):

> [Clip from movie Sicko]

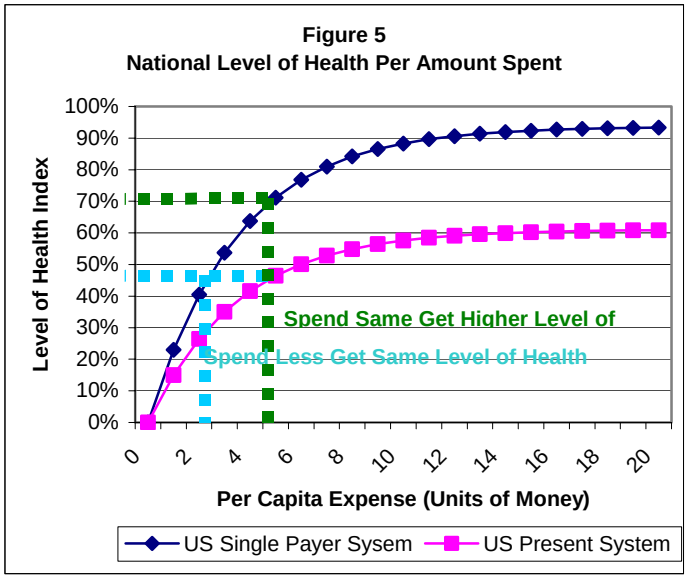
For the past decade, a nonpartisan health policy research organization funded by the Robert Wood Johnson Foundation has tracked access to health care in the United States. The study provides the most up-to-date snapshot of access problems Americans face when seeking medical care. The study concluded (Note 6):

> "It is not a pretty picture, especially for insured people, who increasingly are finding that the access to care once guaranteed by insurance is declining… the 59 million people reporting access problems increasingly cited cost as an obstacle to needed care, along with rising rates of health plan(s) and health systems barriers."

Not only is the present U. S. health-care system getting progressively worse, it performs poorly in comparison with the systems in place in the rest of the industrialized world. What accounts for the comparative lack of health per unit of cost in a country that prides itself on market-driven efficiency? One purpose of the report by the World Health Organization that ranked the U. S. 37th, but by far the most expensive in the world, was to compare national health care systems to provide data which could help inform public policy. The answers are not very complicated; it is feasible to greatly increase health level per unit cost. Consider two large contributors:

Single Payer. The U. S. health-care system is fragmented. The delivery of care and insurance is administrated by an array of government entitlements, private insurers, for profit hospitals and HMO's, and others who added cost with out adding value. A single-payer system in which the government directly provides the insurance is not only far cheaper and but it also provides the mechanisms for integrating the disparate uncoordinated parts of current health-care management. In the United States administrative costs and profits account for roughly 30% of all health-care costs in contrast to 1% to 3% administrative costs for national plans such as operate in Canada and for Medicare in the United States. "Most advanced countries have dealt with the defects of private health insurance in a straight forward way, by making health insurance a government service." (Notes 3 & 5)

Specialization. For providing basic health care the biggest need is for primary-care physicians, the supply of which in the US has dwindled to about 10% of medical students. The others choose far more profitable specializations that pay 300% more than primary care. In other countries the differential for being a specialist is about 30% more than a primary-care physician. As a result, there are far more doctors to provide the basic health services that contribute the most to the level of national health at far less cost. A single payer system provides the capacity to set a national level of financial incentives to ensure a sufficient supply of trained medical personnel, and a differential amount of pay for higher skill levels and specializations that distribute medical supply in accordance with the need through simple supply and demand economics, but without artificially inflating the cost through unnecessary over specialization or by limiting individual career choices by individual doctors. (Fig. 5, Note 5)



Public Policy Not Private Responsibility. There are other large issues that have been clearly identified, such as over-treatment and unnecessary treatments in the current system, as well as smaller factors, such as the medical liability insurance costs of doctors which have been over emphasized as an excuse for avoiding a critical examination of the fundamental foundation of the current private system (Note 7). The issue is not one of lack of information about what to do to bring about significant improvement. There are simple feasible solutions to provide adequate universal health care. The difficulty is the willingness to accept these alternatives, which requires a shift in how we think about the concept of health care, not about small changes to the details of the current system, even though reforms of issues like medical liability and other areas would help.

The Concept of Health

Is access to affordable basic health care for all children and adults, the responsibility of the nation, or of every parent and every individual?

Our unwillingness to change the fundamental nature of our health system means we need to examine our personal constructs to see if they make rational sense about how we think about health. The “Level of Health Index” is a measure of a nation's vitality (Note 1). It is a measure of the capacity of a nation to deliver equality of opportunity to all of its citizens to pursue their life free from preventable physical handicaps. If that is the essence of what the United States is about, then wealth should not be the means to health, but health should be the means to wealth.

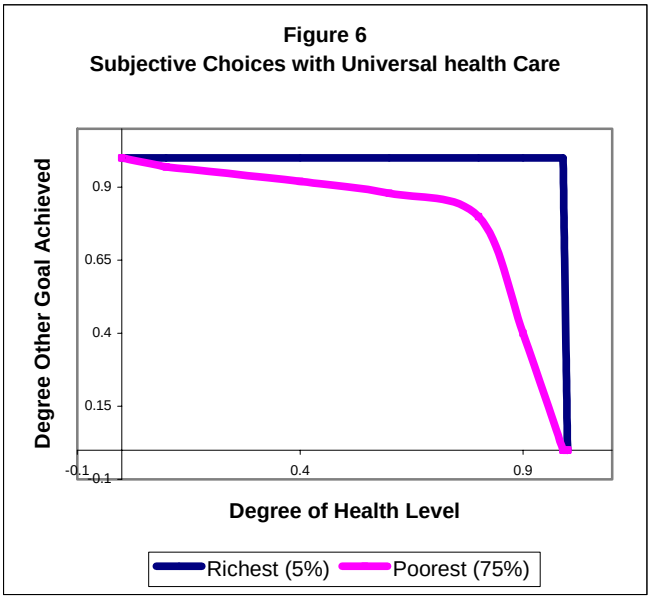
Health As a Social Value Not a Business Expense. If we in the United States are going to quickly counterbalance the combination of powerful special interest groups from the for-profit medical community, and de-bunk the free-market ideology that has dominated the resistance to national health insurance, it will be up to big business to make the case that national healthy is a social value, and it is neither a private responsibility nor an appropriate business expense in the realities of the Post-Modern Era. A losing argument in the U. S. dispute with Canada over soft-wood import tariffs was that Canadian producers did not have to bear are the cost of health insurance as did U. S. producers. In a similar vein US automakers have blamed soaring health-care costs for adding $1,500 to the price of a GM car. In the larger context of economic globalization, U. S. corporations have been breaking their pledge to their workers for what Time magazine called the American Dream (Notes 3, 8). Specifically,

> "(that)…for your decades of toil, you will be assured of retirement benefits like a pension and health-care. Now more companies are walking away from that promise, leaving millions of Americans at risk of an impoverished retirement."

Time magazine called this "The Great Retirement Ripoff: How Corporations Are Picking People's Pockets with the Help of Congress." This economic fallout has become one of the realities of globalization. Rather than provide corporate bailouts, Congress and big business need to join forces with the American worker to support universal health care through a national insurance program like the rest of the developed world. As Thomas Friedman noted in The World Is Flat, health care and retirement benefits need to be portable and universal in order for US Corporations to compete in a global economy. Companies can no longer do this (p. 288).

Health As National Infrastructure. National health insurance is a win-win situation for both the individual and the nation. We fall short of this ideal because lobbyists through the wealth of investment have used their power to defeat health-care as a national social responsibility. The power of balance is to restore general health, over profit from health, as a social value. Health money should buy health not create investment wealth. The health industry is an oxymoron.

Figure 6
Subjective Choices with Universal health Care



Simply put, health-care should join the family of inequalities that we accept every day as part of the American way. As a national value we accept some inequalities between people that are the just rewards and incentives to those with the brains, initiative, and hard work that also allows them to drive more expensive cars, eat better foods and drink more expensive wine. The very rich, will never be faced with a difficult subjective choice of having to sacrifice some other goal in order to have basic health coverage or access to treatment for rare illnesses or elective procedures. However, once

universal basic health care is assured for all, additional private insurance for high-end medical expense is within the reach of many people because the probability for the need is so infrequent. Some people will choose to forgo other goals in order to have this additional assurance of health coverage, and some will not. However, this (Fig. 6) is a far better approximation of a fair and just society then the current situation discussed previously (Fig. 3) in which all but a few of the very rich must either comprise their health security or their quality of life (Note 9).

Conclusions

The concept of "world" citizenship means accepting civic responsibility for the wellbeing of the whole as well as for each component, whether that component is a nation or an individual. It is an understanding that the whole is more than the sum of its parts. In the context of our national health care system, it is an understanding that viability of the total health care system is a civic commitment by everyone to each other for the benefit of all. The health care crisis in the US has resulted from an imbalance of power where the powerful health lobby has protected profits and benefits for a few at the expense of the overall health of the nation. The power of balance is to restore a more equitable distribution of both the liabilities and benefits (both financially and socially in terms of the national level of health) between the consumers and the providers. Health is, after all, the application of knowledge as a national resource and belongs in the public domain as a contribution to human progress; it is, above all, not primarily a commodity for financial gain.

Notes

(1) *US Life Expectancy Losing Rank*, AP, Aug. 12, 2007; Source: Census Bureau and National Center for Health Statistics. This report received national news coverage and noted, among other finding that "…Americans are living longer than ever, but not as long as people in 41 other countries… a relatively high percentage of babies born in the United States die before their first birthday compared with other industrialized nations… 40 countries, including Cuba had lower infant mortality rates in 2004." *In Height America Stalls,* AP, July 15, 2007; Newsweek, Aug. 16, 2007; Source: John Komlos, Social Science Quarterly. This research report also received wide national coverage, among other findings that "... Once the tallest, Americans are now among the shortest and fattest people in the industrialized world…Even residents of the formerly communist East Germany are taller than American's today… The blame may lie with America's poor diet and it's expensive, inequitable health-care system." *France best, US Worst in Preventable Deaths*, Reuters, Jan. 17, 2007; Source: Research sponsored by the Commonwealth fund. This study received national news coverage and noted, among other finding that "… The U. S. (ranks) worse in preventable deaths due to treatable conditions then 19 leading industrialized nations… Such deaths are an important way to gauge the performance of a country's health-care system… the large number of Americans who lacked any type of health insurance probably was a key factor in the poor showing of the United States." *The World Health Report 2000*, World Health Organization, United Nations. " The U. S. health-care system spends a higher proportion of its gross domestic product and any other country but ranks 37th out of 191 countries according to its performance."

(2) *Don't Duck the Medicare Challenge*, AARP, Nov., 2007.

(3) Paul Krugman and Robin Wells, in their essay *The Health Care Crisis and What to Do About It*, New York Review of Books, March 23, 2006, reviewed the conclusions of three recent major books on the health care crisis is the United States: *Can We Say No? The Challenge of Rationing Health Care* by Henry Aaron, Willima Schwart and Melissa Cox; *The Health Care Mess: How We Got into It and What it Will Take to Get Out* by Julius Richman and Rashi Fein; and *Healthy, Wealthy, and Wise: Five Steps to a Better Health Care System* by John Cogan, R. Glenn Hubbard and Daniel Kessler.

(4) U.S. Census Bureau, Current Population Survey, 2006 Annual Social and Economic Supplement. (The graph for income larger than $100,000 has been smoothed by the author to provide for equal income increments throughout the range of data.)

(5) Michael Moore's film documented how the current US health care system fails even those who are insured, let alone the 50 million who are uninsured. Chris Gahilan of CNN did an independent analysis of the accuracy of the statistics on the failure of the US system in comparison to other developed countries. The CNN report conclude: "We found his numbers were mostly right…as we dug deep to uncover the numbers, we found surprisingly few inaccuracies in the film. In fact…most health-care experts we spoke to spent more time on errors of omission than disputing the actual claims of the film." www.cnn.com/health (Sat. June 30, 2007). Direct link: http://us.cnn.com/2007/HEALTH/06/28/sicko.fact.check/index.html

(6) *Falling Behind: Americans' Access to Medical Care Deteriorates, 2003-2007*, by Peter Cunningham and Laurie Felland. Results from the Community Tracking Study, No. 19, Center for Studying Health System Change. (www.hschange.org)

(7) *Why Does Health Care Cost So Much?* By Shannon Brownlee, AARP Bulletin, July/August, 2008.

(8) *The Broken Promise*, Time, Oct. 31, 2005; *Health Care for All: Big Business Makes a Case*, AARP Bulletin, January, 2007.

(9) Figure 3 is one clear illustration of the consequences of the excessively large Gini Index (a measure of the degree of wealth or income disparity in a country) in the U. S., in contrast to Figure 6 which illustrates the consequences of the much smaller Gini Index found in the other social democracies of the Western World. The Gini Index and the negative economic and social costs of a high index, as exits in the U. S., is described in detail in Podcast # 13 on "Achieving and Respecting the Power of Balance, Not the Balance of Power.