

# ISSUE BRIEF:

ACHIEVING GUARANTEED, QUALITY,  
AFFORDABLE, HEALTH CARE FOR ALL



## The Problem

The health care “system” in America is sick and the time for change is long overdue. Many analysts observe that America does not have a health care system, but rather “a collection of loosely linked systems,” as stated by noted health policy expert Henry Aaron. The uncoordinated influence of various stakeholders in these systems tends to prioritize their wealth over the health of the American people. The National Physicians Alliance calls for fundamental change and the creation of a coordinated system that will cover all Americans.

America stands alone in the industrialized world as the only country that does not guarantee health insurance coverage to all of its citizens. Those who are covered receive their insurance through a variety of federal and state-financed programs, such as Medicare, Medicaid, or the Veterans Administration, or through private insurance provided by employers or purchased individually. This complex arrangement leaves 47 million Americans, 15.8% of the population, without the safety and protection of health insurance.<sup>1</sup> Four out of five (81%) of the uninsured are in working families employed by small businesses, the service industry, or hold blue-collar jobs and either are not offered health insurance or cannot afford their share of the premium.<sup>2</sup> Adding to the ranks of the uninsured, employer-sponsored insurance coverage rates are falling. In 2000, 66% of non-elderly Americans were insured through the workplace, but by 2006 only 60% were covered.<sup>3</sup> Among those with insurance, there is growing evidence that underinsurance, leading to medical debt, is becoming an increasing barrier to care.<sup>4</sup> Half of all bankruptcies are related to medical costs, and shockingly, three in four of the medically bankrupt have health insurance.<sup>5</sup>

America also stands alone in the industrialized world in both the amount of money spent per person on health care and the percent of national income spent on health care. In 2005, total health expenditures per capita for the U.S. were \$6,697.<sup>6</sup> This figure is at least 24% higher than in the next highest spending countries. Similarly, in 2005, U.S. health expenditures equaled \$2 trillion or 16.0% of the Gross Domestic Product, at least 3 percentage points higher than for any other comparable country.<sup>7</sup> There are many reasons for this high level of spending, some of which include the lack of a nationally coordinated health care system, the high administrative costs of private insurance, a fee-for-service reimbursement structure that skews reimbursement of physicians and hospitals toward treatment of disease rather than disease prevention, the reliance on a primarily profit-driven system and the unregulated cost of pharmaceuticals, medical devices, and medical services.

Despite this high level of spending, America trails nearly the whole industrialized world when it comes to the health of its citizens. In 2000, the U.S. ranked 37th in health system performance among 191 World Health Organization member states.<sup>8</sup> In 2006, the U.S. had the second highest infant mortality rate in the industrialized world<sup>9</sup> and in 2007 life expectancy at birth in the U.S. ranked 45th.<sup>10</sup> These are sobering statistics for a country that prides itself on equality and justice for all.

## The Solution: Health Care System Reform

The National Physicians Alliance (NPA) believes that health care is a right, not a privilege, and thus strongly endorses guaranteed, quality, affordable health care for all. We believe that the American health care system is in crisis, that system-based flaws negatively affect the health of patients and greatly compromise the ability of physicians to fulfill our professional

duties to society. We believe all Americans deserve a system that is fair, functional, and ensures health care for all. We strongly advocate, on behalf of our patients, for immediate and fundamental health care reform.

We recognize that there are many different options to finance and administer guaranteed, quality, affordable health care and we recognize that each different financing and administration mechanism has its own advantages and disadvantages. Thus, we are endorsing the five principles of health care reform identified by the Institute of Medicine (IOM) as the necessary foundation of a just health care system.<sup>11</sup>

#### 1. Health care coverage should be universal.

- No one should be excluded from insurance coverage based on poor health status, a pre-existing condition, or chronic illness.
- There should be few or no administrative barriers to obtaining or renewing insurance.
- Health insurance coverage should be guaranteed to all persons in the United States.

#### 2. Health care coverage should be continuous.

- Everyone should have access to a primary care provider and medical home throughout life.
- Consistent coverage must be transportable across employment, unemployment, or geographic relocation.

#### 3. Health care coverage should be affordable to individuals and families.

- Every American should have access to an affordable insurance premium. This means that financial assistance will be necessary for lower-income individuals and families.
- Co-pays and deductibles present a barrier to care for low-income people. They tend to discourage people from obtaining necessary medical care. We oppose co-payments that impose significant financial barriers to care.

#### 4. The health insurance strategy should be affordable and sustainable for society.

- Any reform must include mechanisms to control inflation and encourage use of efficacious, cost-effective services.
- Physicians and other health care providers will play a vital role in health care cost-containment through a renewed emphasis on the stewardship of clinical resources.
- The cost of health care should be distributed equitably across the entire population.
- Any reform should minimize administrative cost and simplify enrollment, underwriting, and billing procedures.
- The government and other pharmaceutical purchasers should be able to negotiate drug prices with pharmaceutical and medical device companies to ensure quality, low-cost medications for all. States, corporations, and other purchasers should also be able to join purchasing power to reach this goal.

#### 5. Health insurance should enhance health and well-being by promoting access to high-quality care that is effective, efficient, safe, timely, patient-centered, and equitable.

- Basic benefit packages must include preventive and screening services, prescription drugs, dental care, and mental health care as well as outpatient and hospital services.
- Reimbursement strategies should promote evidence-based medical care.

Reform strategies that could achieve the principles set forth by the IOM range from expansion and reform of our current systems to the establishment of a federally funded and administered single-payer system. The NPA believes that a single-payer system creates the most equitable and effective system to deliver guaranteed, quality, affordable health care for all and thus, endorses a federal single-payer system.

## A Call For Action

1. The NPA calls upon all candidates for elected office, at both the state and federal levels, to prioritize the enactment of guaranteed, quality, affordable health care for all and define their plans for achieving this goal. We endorse using the IOM principals in crafting these plans.
2. In addition, the NPA recognizes the importance of health care reform initiatives moving forward in several states and has endorsed the federal Health Partnership Act, which would spur further innovations in reducing costs

and increasing access to care. Ultimately comprehensive reform is necessary at the national level, but we support continued efforts at the state level to pioneer new approaches to achieving guaranteed, quality, affordable health care for all.

The crisis of the U.S. health care system cannot continue to spiral out of control. The NPA holds it as our responsibility to put the health and well-being of patients first. In order to do this we are calling for system-wide reform to achieve the goal of guaranteed, quality, affordable health care.

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