



June 12, 2019

To: House Ways and Means Committee, U.S. Congress
Chairman Richard E. Neal
Re: Testimony for Achievement of Universal Health Care
Hearing June 12, 2019
From: Health Care for All Colorado Foundation

Submission of Written Comments to Hearing on Pathways to Universal Health Coverage

Definition of Universal Health Care

Universal Health Care is firmly based on the World Health Organization Constitution of 1948 declaring health a fundamental human right; and on the *health for all* agenda set by the Alma-Ata Declaration of 1978¹. Universal Health Care encompasses all of the health-related United Nations Sustainable Development Goals outlining a better, sustainable future for all².

Universal health coverage (UHC) is defined by primary principles of equity, quality, and protection from financial harm. Therefore, UHC ensures that all people and communities have equitable access to quality promotive, preventive, curative, rehabilitative and palliative health services needed, while also ensuring against exposure to financial hardship³.

Current U.S. Health Care Model Fails to Achieve the Principles of Universal Health Care

Current efforts by Congress and Centers for Medicare and Medicaid Services (CMS) to privatize Medicare by promoting administratively costly fragmented multiple private insurance plans, including the heavily-subsidized Medicare Advantage plans which shrink provider networks thereby reducing choices by the insured, represent the wrong direction toward achievement of comprehensive sustainable universal health care coverage.

Splintering health insurance into numerous small risk pools, such as segregated high-risk pools, reinsurance, Medicare "buy-in" or a "public option" – all represent fractured insurance models that contribute to increased administrative costs, lending to the practice of "cherry-picking" the healthiest clients for coverage by private insurers in order to protect their bottom line. Multiple fragmented insurance coverage is the most unsustainable means of health insurance financing, inevitably bound to increase administrative inefficiencies and actuarially unsound policies, whereby a few expensive illnesses will devastate any small insurance group's reserves, driving up premiums.

Too many elected representatives begin redress of health costs by urging "stabilization" of the multi-payer health insurance market – usually by means of ballooning taxpayer subsidization. Indeed, increased risk, reduced benefits and reduced provider choices with narrowed networks are all means employed by multi-payer insurers to shift cost and risk to the insured, while protecting their bottom lines.

Universal Public Health Insurance: Sustainable Means to Universal Health Coverage

The most cost efficient, sustainable insurance model is Public National Health Insurance (PNHI), based on a social health insurance model, aka Single Payer and Medicare for All (S. 1129 and HR. 1384)⁴. An Improved Medicare for All is built around a single large risk pool inclusive of the entire population – rich, poor, sick and healthy - to cover all occurrences of illness or accidents that everyone will face eventually. The single large risk pool represents greater diversification of risk, lowering overall costs.

Only single large-risk-pool insurance can eliminate the inflated, wasteful 30 percent administrative/overhead costs

introduced by fragmented multi-payer insurance, while leveraging economies of scale to permit negotiation of annual budgets and bulk-rate payments for drugs and medical equipment to reduce health costs.

Dozens of state and federal studies over several decades have demonstrated substantial savings to all segments of the economy with a single public payer health insurance model⁵. Additionally, a single payer Medicare-for-All model provides full choice of private providers, by contrast to multi-payer insurances that often shrink their provider networks, limiting provider choices.

Health financing drives equitable health care^{6,7}. Finding effective ways to provide funds through a financial plan becomes a critical tool for fulfilling the conditions stated in the definition of universal health care. See a proposed model for financing of an Extended Medicare⁸.

Recommendations:

To achieve Universal Health Insurance:

- a. Provide a system of universal health insurance based upon a Public National Health Insurance (PNHI), a social health insurance model, aka single payer and Medicare for All (S. 1129 and HR. 1384).
- b. Avoid incremental reforms such as; Medicare for America Act of 2019 (HR 2452), Keeping America Insurance Affordable Act of 2019 (S. 3), Choose America Act (S. 1261, HR 2463), Medicare X (S. 981, HR 2000), The CHOICE Act (HR 2085, S. 1033), Medicare Buy-in and Health Care Stabilization Act of 2019 (HR 1346), and State Public Action Act (S 489 and HR 1277)⁹.
- c. Define a financial plan for both S. 1129 and HR. 1384. Providing health care for everyone defines universal health care. With the failure of private health insurance markets to provide financial security for Americans, it becomes the responsibility of our government to find an effective way to finance health insurance that covers private delivery of health services.

References:

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