

2019

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Recommended Citation

Thomas Bishop, *Healthcare in America: Assessing the ACA and Medicare-for-all*, 25 Pub. Interest L. Rptr. 11 (2019).

Available at: <https://lawcommons.luc.edu/pilr/vol25/iss1/4>

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Healthcare in America: Assessing the ACA and Medicare-for-all

Tom Bishop

On March 23, 2010, President Barack Obama signed the Patient Protection and Affordable Care Act (ACA) into law. Many hoped this date would end an issue that has ailed the United States for over a century, the state of its healthcare. Healthcare is a policy area that has frustrated many presidents, while at the same time being imperative to the well-being of every individual in the country. Even after enacting the ACA, the problem of healthcare coverage was never solved. Moreover, since the Fifth Circuit ruling in *Texas v. U.S.*, the ACA itself may be repealed entirely.¹ The future of healthcare in America is not in any way certain, and the electorate seems to realize it. Earlier in 2019, almost 70% of the public responded to a poll saying that healthcare should be a top priority for the president and Congress.²

Before the enactment of the ACA, national trends in access and coverage were worsening, however, advancements in coverage were made throughout the country after its implementation.³ Despite problematic rollouts in late 2013, the ACA extended coverage to 8 million people who signed up for the program. In subsequent years, the ACA would help provide health insurance for an additional 11 million people annually.⁴ Because the ACA gave states the option to insure all individuals below a poverty threshold, at federal expense, an additional 10.8 million people were covered under Medicaid by 2015.⁵ Within the same timeframe, approximately three million people under 26

¹ MaryBeth Musumeci, *Explaining Texas v. U.S.: A Guide to the 5th Circuit Appeal in the Case Challenging the ACA*, KAISER FAMILY FOUND. (July 3, 2019), <https://www.kff.org/health-reform/issue-brief/explaining-texas-v-u-s-a-guide-to-the-5th-circuit-appeal-in-the-case-challenging-the-aca/>.

² *Public's 2019 Priorities: Economy, Health Care, Education and Security All Near Top of List*, PEW RES. CTR., (Jan. 24, 2019), <https://www.people-press.org/2019/01/24/publics-2019-priorities-economy-health-care-education-and-security-all-near-top-of-list/>.

³ Benjamin D. Sommers et al., *Changes in Self-reported Insurance Coverage, Access to Care, and Health Under the Affordable Care Act*, 314 JAMA 366 (July 28, 2015), available at <https://jamanetwork.com/journals/jama/fullarticle/2411283>.

⁴ Jeff Griffin, *The History of Healthcare in America*, JP GRIFFIN GROUP (Mar. 7, 2017), https://www.griffinbenefits.com/employeebenefitsblog/history_of_healthcare.

⁵ David Blumenthal, Melinda Abrams & Rachel Nuzum, *The Affordable Care Act at 5 Years*, 372 NEW ENGLAND J. OF MED. 25 2451, 2452 (May 2015), https://www.researchgate.net/profile/Rachel_Nuzum/publication/276071131_The_Affordable_Care_Act_at_5_Years/links/59ee0fa34585154350e8004e/The-Affordable-Care-Act-at-5-Years.pdf.

years of age were newly insured due to enactment of the ACA.⁶ Three years after its rollout, a study showed that the ACA improved access to care, preventive services utilization, and self-reported health among low-income adults.⁷ Additionally, there were signs of improved medication adherence, more regular communication with physicians, and improved perceived health status for patients with chronic conditions.⁸

Despite the ACA's widespread healthcare improvements, its effect on minority groups differs depending on one's perspective. On one hand, insurance coverage increased for African-American and Hispanic groups at a higher rate than it did for whites.⁹ On the other hand, there is still a great disparity in coverage between white and non-white groups, as the latter group is more likely to be uninsured even after the ACA enactment.¹⁰ Studies showed that the increase in coverage was greater in states that expanded Medicaid programs, perhaps indicating that broader Medicaid programs in more states would help coverage gains even more.¹¹

The cost effects of the ACA are likewise mixed. A 2018 study indicated that out-of-pocket healthcare spending has decreased by almost 12% in the inaugural years of the ACA enactment.¹² Out-of-pocket spending data is even more promising for low-income groups, who experienced a 16% decrease in spending.¹³ However, premium contributions increased by 12.1% in that same time period.¹⁴ Even with the increased premiums, data analysis suggests healthcare spending decreased for low-income individuals in part because of the Medicaid expansion programs within the states, which requires that enrollees pay neither premiums nor co-payments.¹⁵ Therefore, any removal of the ACA would have the greater economic impact on low-income groups.

⁶ *Id.*

⁷ *Id.*

⁸ Benjamin D. Sommers et al., *Three-Year Impacts of the Affordable Care Act: Improved Medical Care and Health Among Low-Income Adults in Two States*, 36 HEALTH AFFAIRS 1119 (May 2017).

⁹ Thomas C. Buchmueller et al., *Effect of the Affordable Care Act on Racial and Ethnic Disparities in Health Insurance Coverage*, 106 AM. J. OF PUB. HEALTH 1416 (Aug. 2016).

¹⁰ *Id.*

¹¹ *Id.*

¹² Anna L. Goldman et al., *Out-of-Pocket Spending and Premium Contributions After Implementation of the Affordable Care Act*, 178 JAMA INTERNAL MED. 347 (Feb. 28, 2018).

¹³ *Id.*

¹⁴ *Id.*

¹⁵ *Id.*

Overall, there have been both improvements and regressions in the state of healthcare since the ACA's enrollment. The improvements mostly relate to coverage gains and decreases in out-of-pocket spending. The regressions include increased premiums and a continued disparity in quality insurance between ethnic groups. Moreover, only about 6.5% of Americans become insured due to the ACA, leaving approximately 28 million people still uninsured.¹⁶

Arguably, more changes are needed in order to step closer to universal coverage, such as making the costs of medical care more manageable for those who have insurance. The United States spends more on its healthcare than any other country, nearing an average of \$10,000 per person a year.¹⁷ Some argue that the massive spending required is due to the capitalistic nature of American healthcare, with providers pursuing the dual goals of innovating care and out-profiting their competition.¹⁸ Potential voters seem to agree that a capitalist approach may not be ideal, as 53% believed that the government is responsible for ensuring all Americans are covered.¹⁹ Within that group, 27% believe there should be a national single-payer program.²⁰ Democratic presidential candidates have noticed this trend, and over half of those running for the 2020 election support some form of single-payer plan in the form of Medicare-for-all.²¹ Moreover, many of the ACA's programs have not been fully implemented yet.²² Even if fully implemented, the most prominent question surrounding the ACA is its political uncertainty going forward.²³ These uncertainties have caused presidential candidates and voters to ask whether a national single-payer program is the ideal program going forward.

¹⁶ *Id.*

¹⁷ Gary Branning & Martha Vater, *Healthcare Spending: Plenty of Blame to Go Around*, 9 AM. HEALTH & DRUG BENEFITS 445 (Nov. 2016).

¹⁸ *Id.*

¹⁹ Amina Dunn, *Democrats Differ over Best Way to Provide Health Coverage for all Americans*, PEW RES. CTR. (July 26, 2019), <https://www.pewresearch.org/fact-tank/2019/07/26/democrats-differ-over-best-way-to-provide-health-coverage-for-all-americans/>.

²⁰ *Id.*

²¹ Kevin Uhrmacher et al., *Where 2020 Democrats Stand on Medicare-for-all*, WASH. POST (Sept. 20, 2019), <https://www.washingtonpost.com/graphics/politics/policy-2020/medicare-for-all/>.

²² Telephone Interview with Monica A. Wallace, Partner, McDermott Will & Emery LLP (Oct. 15 2019).

²³ *Id.*

THE CANADIAN MODEL

Given the fact that a national single-payer program legislation has never come close to passing Congress, proponents of the idea must look elsewhere to justify its credibility. A common nation of reference for the existence of government-run universal healthcare is Canada.²⁴ Advocates point to the argument that the Canadian single-payer system is much more direct and not as administratively difficult to maneuver.²⁵ In Canada, the government may reduce prices by concentrating purchasing power, exerting budgetary control over health care expenses, and ensuring that all legal citizens are insured.²⁶ The Canadian Medicare system also does not charge a co-payment or a deductible to patients using hospital or physician services.²⁷

Yet, the Canadian Medicare system comes with flaws. There have been complaints of excessively long wait periods for patients and public dissatisfaction overall.²⁸ Essentially, conversion to a Medicare-for-all approach like Canada would require a complete overhaul of the ACA and healthcare system as a whole.²⁹ Such an overhaul, in the United States, would require a massive amount of regulatory oversight to ensure compliance.³⁰ Moreover, a copy of the Canadian Medicare system would necessitate a large increase in taxes in order to fund the program.³¹ This tax increase would come with the promise that citizens would actually pay less because the premium payments to private insurers would decrease.³² Undoubtedly, Canadian family expenses in healthcare have increased 70% the past 20 years, up to about \$13,000 per year.³³ However, such a cost must be weighed against the accessibility of coverage, and whether the electorate is willing to make such payments if it means guaranteed healthcare.

The main appeal behind a Medicare-for-all program is its potential to lower costs in healthcare. Currently, the U.S. spends about 18% of its GDP on

²⁴ Jonathan Oberlander, *The Virtues and Vices of Single-Payer Health Care*, 374 *NEW ENGLAND J. OF MED.* 1401, 1401 (Apr. 14, 2016).

²⁵ *Id.*

²⁶ *Id.* at 1402.

²⁷ *Id.*

²⁸ *Id.* at 1403.

²⁹ Telephone Interview with Monica A. Wallace, *supra* note 22.

³⁰ *Id.*

³¹ Oberlander, *supra* note 25, at 1403.

³² *Id.*

³³ Abigail Bimman, *Cost of Public Health Care for Canadian Families Soared by 70% over Two Decades: Report*, *GLOBAL NEWS* (July 31, 2018), <https://globalnews.ca/news/4364344/cost-health-care-canadian-families/>.

healthcare expenses.³⁴ Lowering the costs of healthcare in the U.S. could undoubtedly benefit other aspects of public life by reallocating those expenses into different areas of the budget. The single-payer system would primarily decrease administrative costs, as the healthcare system would be more centralized.³⁵ This would eliminate many of the costs of paying office personnel to bill and collect from the fragmented financing system in the U.S.³⁶ Moreover, the existence of a single-payer method would theoretically have bargaining power to drive down the costs of competitors and medical manufacturers.³⁷

BERNIE SANDERS' HEALTHCARE PLAN

Fortunately, the increasing proposals for Medicare-for-all among Democratic candidates allow researchers to convert hypothetical arguments into data. For instance, a study into presidential candidate Bernie Sanders' plan for Medicare-for-all in 2016 showed drastic changes to the federal budget.³⁸ Although it would ensure coverage for about 30 million Americans, it would come with inevitable costs.³⁹ Research indicates that federal spending under Senator Sanders' plan would increase by 232% over ten years, up to \$32 trillion in that time.⁴⁰ However, private health expenditures by households and employers would decrease by almost \$22 trillion by 2026.⁴¹ Yet, these savings would be negated by the \$15 trillion of taxes required to help pay for the plan.⁴²

Despite the benefits of a federal Medicare-for-all program, the liabilities may be too burdensome to overcome for many voters, especially the more conservative. Even in Canada, the government recognized the difficulties of a

³⁴ Victor R. Fuchs, *Is Single Payer the Answer for the US Health Care System?*, 319 JAMA 15, 15 (Jan. 2, 2018), https://mfprac.com/web2019/07/literature/literature/Health_Costs/SinglePayer_Fuchs.pdf.

³⁵ *Id.*

³⁶ *Id.*

³⁷ *Id.*

³⁸ John Holahan et al., *The Sanders Single-Payer Health Care Plan*, HEALTH POL'Y. CTR. (May 2016), https://www.researchgate.net/profile/Linda_Blumberg/publication/303826315-The_Sanders_Single-Payer_Health_Care_Plan_The_Effect_on_National_Health_Expenditures_and_Federal_and_Private_Spending/links/5756bb2e08ae5c654903d59b/The-Sanders-Single-Payer-Health-Care-Plan-The-Effect-on-National-Health-Expenditures-and-Federal-and-Private-Spending.pdf.

³⁹ *Id.*

⁴⁰ *Id.*

⁴¹ *Id.*

⁴² *Id.*

national single-payer system and instead pursued a provincial single-payer system.⁴³ This way, each province collects its own taxes to provide its own single-payer system.⁴⁴ Such an approach may be desirable in the U.S. as well, given the massive administrative overhaul and expenses needed to provide universal healthcare for a nation of over 300 million people.

A state dependent single-payer program is probably more politically feasible than a federal one, which could potentially provide savings for American citizens. California, for example, proposed a bill in 2017 for state single-payer universal healthcare that would decrease citizen expenses in healthcare by about 8% compared to the status quo.⁴⁵ If all 50 states pursued this type of single-payer program, the aggregate savings to both the people and the federal government would provide greater flexibility in everyone's budget, while also being more politically attainable and providing a more desirable amount of coverage. Logically, putting the responsibility of universal healthcare in the hands of the states may be technically easier for the more hesitant single-payer voters and it also enables certain states to shirk that responsibility and fail to enact their own program. Even though a federal single-payer program obviously provides more uniformity and certainty nationwide than a state-by-state method, however, the lack of a nationwide political overhaul under a federal approach may simply be too difficult.

Therefore, despite the increasing proposals by Senator Sanders and other Democratic presidential candidates, political parties may be too divided to consent to their current approaches. Both the advocates and the critics of Medicare-for-all have valid points supporting their respective decisions. But, almost 7 out of 10 voters agree that healthcare is still an important political issue, meaning that the status quo of healthcare is not sufficient.⁴⁶ Perhaps the best approach for the time being is to strengthen the policies of the ACA. By broadening the scope and depth of the Medicaid expansion states from the ACA, the law would gain a greater ability to provide coverage for lower-income families and minorities. Concurrently, states must bear the responsibility to provide their own single-payer programs.

⁴³ Fuchs, *supra* note 34, at 16.

⁴⁴ *Id.*

⁴⁵ Robert Pollin et al., *Economic Analysis of the Healthy California Single-Payer Health Care Proposal* (SB-562), POL. ECON. RES. INST. AT THE U. OF MASS. AMHERST (May 2017), http://flingdiet.com/HSC-CVP/healthworkbook2.0P/web-content/hsc-healthworkbook_files/15-0pollin-economc81276_98.pdf.

⁴⁶ PEW RES. CTR., *supra* note 2.

Many progressives will still argue that a federal Medicare-for-all program is still the desired end to the aforementioned means. However, policies are implemented incrementally.⁴⁷ Even something advertised as a sweeping change like Medicare-for-all require slow administrative and regulatory changes.⁴⁸ What is certain is that these upcoming years are essential in deciding the state of healthcare in the United States. Whatever the voters' policy choices may be, every person must consider the costs and benefits for both themselves, and the nation as a whole.

⁴⁷ Telephone Interview with Monica A. Wallace, *supra* note 22.

⁴⁸ *Id.*