

## The Affordable Care Act and Healthcare in the United States

The American dream is being able to do whatever you want. That is why so many people have come to this country in search of a better life. Even though we are one of the best and richest countries, our healthcare is the worst among industrialized nations. Not everyone here can get healthcare like they could in Germany or Japan or even Canada. This is particularly true for Matt. Matt's dream was to be a chemist. He was able to graduate college just after being diagnosed with ulcerative colitis and was capable of working in a lab.[1] No job as a chemist would provide him with healthcare, so he was forced to find a job at Menard's just to have the healthcare offered by the large employer.[2] Matt is the perfect example of people who are taking a job just to get health care. This also illustrates that many people cannot get health insurance unless they have a particular job, although, not necessarily the job they want, a term known as job-lock.

In the 2008 presidential election, the topic of healthcare came up quite often. Every candidate agreed something had to be done. Each candidate also had different ideas about how to solve the problem. They were trying to fix several issues and keep up with the rest of the modern world by providing healthcare to all its citizens.[3] A key problem to understand is that the United States healthcare system is very confusing. Most countries have one system of healthcare. The United States has every type of system all in one country.[4]

As of 2009, the United States had 46 million uninsured people.[5] These people are uninsured for a variety of reasons, including poverty, price, and unhealthiness. Most employers offer health insurance for their employees. Generally, employers pay so much per month and employees have to pay a monthly fee to cover the rest; however, if you lose your job you almost

always lose your health insurance. You do have the option to pay for the entire monthly fee or about double what you paid while employed under the COBRA law.[6] Since you now have to pay more money to keep your insurance and you have no income, 90% of people do not use COBRA.[7] When people are poor they tend to make their health worse. They try to avoid going to the doctor, take medicine when they can afford it, and self-medicate.[8] Some even drink alcohol to try to manage their symptoms.[9] These practices end up making their health worse and can lead to much greater health expenses down the road.

Many poor and sick people become trapped in the death spiral. The death spiral is the situation that arises when someone becomes sick for whatever reason and becomes poor so they cannot afford health insurance, which means they cannot treat their illness, which in turn makes their health worse, and means that they cannot work to get health insurance.[10] This is a vicious cycle that does not happen in any other modern, industrialized country.

The Affordable Care Act is not the only healthcare reform attempt the United States has undertaken. In 1965 Lyndon Johnson supported several changes to the healthcare system as part of his Great Society. There were three parts that covered different expenses. Part A pays for hospital fees, Part B pays for seeing the doctor, and Medicaid to cover the poor.[11] This received support from both parties and was quickly passed.[12] Medicare today is well liked and will not go away easily. This pays for most of the healthcare bills for senior citizens.

In the 1990's there was another push to reform healthcare under President Clinton. This reform was started as a way to insure everyone and make health care cheaper. [13] No one could agree on how to run the new system, the bill was massive and took a long time to go through,

and the parties were divided on what to do, so the bill was defeated before ever coming to a vote.[14]

Other modern countries do have universal health care for all their citizens. Americans could learn a lot by looking at those countries' systems. Other countries spend a lot less on their healthcare. Japan and the United Kingdom spend 8% of their GDP on healthcare. Taiwan only spends 6.2%, but the US spends a whopping 16%.[15] One of the reasons this number is so high is because the US spends 24% on administrative costs.[16] This number is 2% in Taiwan, where they use a smartcard to track your medical history.[17] If the United States could cut the administrative costs in half, the savings could cover every uninsured American.[18] One of the main ways that industrialized countries provide healthcare for everyone is that insurance companies must cover everyone who wishes to receive insurance through them.[19] For example in Germany the employers usually pay half and the employees pay half, much like most Americans.[20] In Germany the employees pay about \$300 per month, but that covers the entire family.[21] In the other modern nations, the poor and unemployed are covered by the rich or by government subsidies.[22] In these countries employees do not lose their health insurance when they lose their job.[23]

After Obama was elected he let Congress pass the bill as they saw fit. He gave speeches and urged Congress to pass the reform bill. He did this to make it a priority in everyone's mind and give Congress the final nudge to finish the bill.[24] Still, Obama let Congress work out the details, unlike former President Bill Clinton who focused on the bill instead of the rest of his job during his failed reform effort in 1993.[25]

Obama also tried to set deadlines for the bill's progress.[26] In the Senate you have to have 60 Senators to continue bill progress. At the time the Democrats only had 57 and there were two independents that could make 59—still not enough to stop the delaying filibuster.[27] The more liberal Democrats wanted major change, whereas conservative Democrats and the Republicans could gain much support by opposing reform.[28] People disagreed over how to cover the poor and how to motivate the insurance companies.[29] Democratic Majority Leader Harry Reid had to make sure every Democrat supported the bill, which meant that they couldn't change too much without risking the bill not passing.[30] In the House the Democrats had a large majority so they could lose the support of a several Democrats and still pass the bill.[31] The Republicans opposed the healthcare reform bill as frequently as they could and slowed the progress of the bill as much as possible.[32]

Another reason the process was difficult was because of the budget. Many say that Clinton's attempt at reform failed because they couldn't straighten the budget out.[33] Some wanted Canada's system where the government pays for everything and negotiates the prices. Most people agreed that would be too drastic of a change to implement right now.[34] Congress had to make sure the companies would support it so they had meetings in private about how to make them happy.[35] The doctors struck a deal to receive \$80 billion less from Medicare, but \$288 billion more from the newly insured.[36] The drug companies struck a deal to lower prices, not import foreign drugs, not use generic drugs, and in return get many more patients. The insurance companies wanted the reform because then everyone would have to come to them and then they would make a bigger profit.[37] After Obama's election, companies spent \$57 million on ads showing their stance on the health care reform.[38] The Democrats got more taxes out of

the rich to support the poor and middle class.[39] However, the Tea Party drove Republican opposition and made Republicans less willing to compromise.[40]

Obama got together six Democrats and Republicans that were well respected and could change things if they wanted.[41] They spent several months debating and discussing the law and how to approach it.[42] Once they had accomplished their goal they went back to the houses and started to go away from what they had done together.[43] The Republicans tried to delay and hoped they would have a majority in less than two years.[44] They also thought that opposing the bill would mean more popularity in their district and make them more likely to be reelected. The parties themselves wanted to “win” and that meant only doing what your party did and refusing to help the other party or even oppose them directly. Then the parties started to split and refused to compromise and began to rile up their supporters.[45]

The Affordable Care Act is a good law, but it could have been a lot better. The uninsured rate has gone down from 17% to 14%.[46] Right now there are still millions of uninsured Americans.[47] The Affordable Care Act was supposed to fix the problem of uninsured Americans because the law was made to cover everyone not eligible for Medicare, but still too poor to afford insurance by themselves.[48] One of the major points of insuring everyone was that it would reduce costs by making everyone contribute. This cannot happen if 30 million people remain uninsured.[49]

One of the reasons health care is so expensive in America is because the administrative costs are so high. Administrative costs are costs that are spent keeping track of patient history, monitoring payment from different insurance companies/the government, and other related things. As

previously noted, cutting our administrative costs could cover every uninsured person.[50] This would help make our health care less expensive as well.

We still are not doing a great job compared to other industrialized nations. Our costs are going to go down and more people are being covered; however, there is still a coverage gap where people are too poor for federal subsidies but too rich for their state's Medicaid.[51] These people are the reason why our healthcare was so bad before, and allowing them to be uninsured is a monetary drain on everyone else and is holding back equality and affordability of healthcare for everyone. Our costs are still the highest, and losing your job does not mean you still have insurance since some states have not expanded Medicaid.[52] Even if they had Medicaid, the costs would still be high since the more people on Medicaid there are, the higher the cost is for everyone else.[53]

In the book *Uninsured in America*, the authors propose that we treat our healthcare like our education.[54] They want everyone to pay into the health insurance system and then everyone benefits from it.[55] They even proposed a way to pay for the uninsured by stopping a tax deduction for private health insurance companies. This would generate \$100 billion dollars and cover the 41 million uninsured Americans (as of 2003) at a cost of \$33.9 billion and the government would still make more than \$66 billion.[56] They also want to start a public health insurance company and allow private companies to compete to drive down prices. [57][58]

Wait, public health insurance? Does that sound familiar? It should because the “public option” was proposed by the liberals and was shut down by the opposition.[59] These changes would most certainly be better than the current system because it does everything necessary to ensure the people get fair treatment, everyone is covered, and saves money. The authors also argue that to sever the link between employment and insurance, you cannot just give the poor money.[60]

This simply would not help because health insurance is often the last thing the poor think about or want to pay when they don't have a job or have a chronic condition that limits their employability.[61]

There are many ways to improve the Affordable Care Act. However, I think the best way is to establish a system like that of Germany, Switzerland, or France. These countries routinely rank high on health care ratings in quality and happiness of citizens. One of the biggest things to do is to take away the profit incentive of the healthcare industry. All other industrialized nations do this, and if they make a profit, they turn the savings around by cutting costs for the people.[62]

America is very capitalistic and always strives to make a profit, unfortunately at the expense of the welfare of others at times. Profit is the main drive behind almost anything in America. This will probably be the hardest thing to do, economically and politically. If a company was to make a profit, they should do the same thing. This could easily be enforced by forcing the health industry to make their financial records publicly available. In America, being able to pay can take you a long way, especially in healthcare. People get turned away repeatedly because they still owe debts to that medical facility. Once the companies have no reason to make a profit, they should then be able to treat everyone equally based on how much they pay. Another problem is that doctors get paid for what they do, not the results they achieve. According to former Doctor John Bertsche, we need to reverse this so doctors are paid when they get results, not for doing something.[63] The United Kingdom has a similar system to this in which the best doctors get a huge bonus if they have healthy patients.[64] To incentivize doctors to get results, I think maybe we should distribute a small percentage of the "profits" to the doctors that get the best results. I

don't know if this will work, but if the financials work out, why not try, since money is a great motivator to do your job well.

Poverty is another major issue that needs to be handled with regards to healthcare reform. As previously noted, cutting our administrative costs could easily cover every uninsured American.

In Taiwan all citizens get a smart card that monitors each person's health history and these cards keep Taiwan's administrative costs down to 2%.[65] In France all citizens get a *carte vitale* that does the same thing and offers similar benefits.[66] In America, almost everyone has driver's license or other state-issued id card. Since nearly everyone has one of these, we should integrate a smartcard function into the same card. The healthcare part of the card would only be accessible to the health officials and not any cop that pulls you over. The card would keep track of individuals' health history and their insurance information to make things more efficient to save money. This would easily save us millions of dollars each year that could be put back to covering the poor. The poor could also be covered through another very unpopular way: taxes. Not many Americans would like this, but even just 1% increase in taxes would cover the extra \$33.9 billion needed to cover the poor.[67] One percent is not much on your paycheck, or the things you buy in a store.

In other countries they spend money on preventative care to keep people from getting sick and costing the government more money. The US government does this to an extent but they could do more. They could impose a higher tax on cigarettes, alcohol, and other clearly unhealthy things and use that revenue to cover the poor. They can also start promoting healthier foods, activities, and habits like buying fruits and vegetables, exercising more, and getting people to stop smoking or driving dangerously. I think if the two parties work together and ignore the



health industry our healthcare system can be the best in the world. After all, Switzerland has one of the best systems in the world and they just reformed their healthcare when Clinton attempted to reform ours, and their companies are very powerful like in the United States. If the Swiss can do it, we can too.

## Bibliography

Bertsche, John, "Healthcare in America." Lecture, FCHS, Flanagan, IL, November 24, 2014.

"The Coverage Gap: Uninsured Poor Adults in States That Do Not Expand Medicaid – An Update." Kaiser Family Foundation. (Accessed December 17, 2014). kff.org.

Fernandopulle, Rushika and Susan Starr Sered. *Uninsured in America: Life and Death in the Land of Opportunity*. Berkely: University of California Press, 2000.

Homan, Gerlof, "Healthcare in Europe." Lecture, FCHS, Flanagan, IL, November 24, 2014.

Jacobs, Lawrence R. and Theda Skocpol, *Healthcare Reform and American Politics: What Everyone Needs to Know*. New York: Oxford University Press, 2010.

"National Health Insurance-A Brief History of Reform Efforts in the U.S." *Kaiser Family Foundation*. March 2009. (Accessed November 12, 2014). kff.org.

Reid, T.R. *The Healing of America: A Global Quest for Better, Cheaper, and Fairer Healthcare*. New York, New York, Penguin Group: 2010.

*Sick Around America*. Directed by John Palfreman and Will Lyman. Boston MA: WGBH Educational Foundation/FRONTLINE, 2009. iTunes film.

*Sick Around the World*. Directed by Jon Palfreman and T.R. Reid. (Boston MA: WGBH Educational Foundation/FRONTLINE, 2008), iTunes film.

Tavernise, Sabrina, and Robert Gebeloff. "Millions of Poor Are Left Uncovered by Health Law." *The New York Times*. October 2, 2013. (Accessed December 16, 2014). nytimes.com

- [1] *Sick Around America*, directed by John Palfreman and Will Lyman. (Boston MA: WGBH Educational Foundation/FRONTLINE, 2009), iTunes film.
- [2] Ibid.
- [3] *Sick Around the World*, directed by Jon Palfreman and T.R. Reid. (Boston MA: WGBH Educational Foundation/FRONTLINE, 2008), iTunes film.
- [4] T.R. Reid, *The Healing of America: A Global Quest for Better, Cheaper, and Fairer Healthcare*, (New York, New York, Penguin Group: 2010): 1-5
- [5] *Sick Around America*.
- [6] Ibid.
- [7] Ibid
- [8] Rushika Fernandopulle and Susan Starr Sered, *Uninsured in America: Life and Death in the Land of Opportunity*, (Berkeley: University of California Press, 2000): 12.
- [9] Ibid., 43.
- [10] Ibid., 6.
- [11] Ibid.
- [12] "National Health Insurance-A Brief History of Reform Efforts in the U.S.," *Kaiser Family Foundation*, March 2009, accessed November 12, 2014.
- [13] Ibid.
- [14] Ibid.
- [15] *Sick Around the World*.
- [16] *Sick Around America*.
- [17] *Sick Around the World*.
- [18] *Sick Around America*.
- [19] *Sick Around the World*.
- [20] Ibid.
- [21] Ibid.
- [22] Ibid.
- [23] Ibid.
- [24] Lawrence R. Jacobs and Theda Skocpol, *Healthcare Reform and American Politics: What Everyone Needs to Know*. (New York: Oxford University Press, 2010): 54-55.
- [25] Ibid., 56.
- [26] Ibid.
- [27] Ibid., 60.
- [28] Ibid., 63.
- [29] Ibid., 93-94
- [30] Ibid.
- [31] Ibid., 62.
- [32] Ibid., 64.
- [33] Ibid., 65.
- [34] Ibid., 67.
- [35] Ibid., 68-69.
- [36] Ibid., 70.
- [37] Ibid., 72.

- [38] Ibid., 75.
- [39] Ibid., 82.
- [40] Ibid.
- [41] Ibid., 83.
- [42] Ibid., 84.
- [43] Ibid., 84-85.
- [44] Ibid., 85.
- [45] Ibid., 87-88.
- [46] John Bertsche, "Healthcare in Europe," (lecture, FCHS, Flanagan, IL, November 24, 2014).
- [47] Sabrina Tavernise and Robert Gebeloff. "Millions of Poor Are Left Uncovered by Health Law," The New York Times, October 2, 2013, accessed December 16, 2014, New York Times.
- [48] "The Coverage Gap: Uninsured Poor Adults in States That Do Not Expand Medicaid – An Update," Kaiser Family Foundation, accessed December 16, 2014, kff.org.
- [49] Tavernise and Gebeloff, "Millions of Poor."
- [50] *Sick Around the World*.
- [51] Tavernise and Gebeloff, "Millions of Poor."
- [52] "The Coverage Gap."
- [53] Bertsche, "Healthcare in Europe."
- [54] *Uninsured in America*, 191.
- [55] Ibid.
- [56] Ibid., 192.
- [57] Ibid.
- [58] Ibid., 193
- [59] "Healthcare Reform and American Politics," 75.
- [60] *Uninsured in America*, 190.
- [61] Ibid.
- [62] *Sick Around the World*.
- [63] John Bertsche.
- [64] *Sick Around the World*.
- [65] Ibid.
- [66] Gerlof Homan, "Healthcare in Europe," (lecture, FCHS, Flanagan, IL, November 24, 2014).
- [67] *Uninsured in America*, 192.