

# Why This Isn't the Time for a Public Option or Medicare for Some

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*This has been a tumultuous week for healthcare reform. First there was the pleasantly quick defeat of the American Health Care Act in the House of Representatives Friday afternoon. Then, that evening, Senator Sanders spoke at a town hall in Vermont with Senator Pat Leahy and Representative Peter Welch where he announced that he would introduce a Medicare for All bill. Medicare for All and Bernie supporters lit up social media with their excitement over the announcement. This should have been great news, but it wasn't exactly.*

Over the weekend, more information was revealed in a series of interviews with Sen. Sanders. Sunday, he said on CNN that single payer legislation wouldn't have the votes, so the first priority will be to improve the Affordable Care Act (ACA) with a public insurance, called a public option, and possibly lowering the age of Medicare eligibility to 55.

There are a number of reasons why this isn't the time for tinkering with the ACA. We have a healthcare crisis now and the means to solve it. The ACA is fundamentally flawed and cannot be tweaked into a universal program. And Sanders' proposals are exactly the same ones used in 2008-10 to divide and weaken the movement for National Improved Medicare for All. We can't be fooled into going down that path again.

## The Current Crisis and its Solution

Right now in the United States, almost 30 million people have no health insurance. On top of that, tens of millions of people who have health insurance can't afford health care. When people experience a serious accident or illness, they face a stark choice: seek care and risk financial ruin or go without it and risk disability or death. Hundreds of thousands of families go bankrupt each year due to medical illness and an estimated 29,000 people die each year due to lack of access to care.

Think about how the country galvanized when 3,000 people were killed in the attacks on 9/11 or when the 2,000<sup>th</sup> soldier was killed in Iraq, but that amount of death happens ten times a year or more in the US and we hardly hear a peep of outrage.



Health outcomes in the United States are not very good. A [recent study](#) found:

"Notable among poor-performing countries is the USA, whose life expectancy at birth is already lower than most other high-income countries, and is projected to fall further behind such that its 2030 life expectancy at birth might be similar to the Czech Republic for men, and Croatia and Mexico for women.

The USA has the highest child and maternal mortality, homicide rate, and body-mass index of any high-income country, and was the first of high-income countries to experience a halt or possibly reversal of increase in height in adulthood, which is associated with higher longevity. The USA is also the only country in the OECD without universal health coverage, and has the largest share of unmet health-care needs due to financial costs."

Yet, of all of the industrialized nations, the United States spends the most per person on health care, in some cases double the amount and those countries cover everyone. We are already paying for universal comprehensive health coverage, but we aren't getting it because the bottom line of the system in the US is profits for a few rather than health for all.

The US has the most complex and heavily bureaucratic system in the world because it is a market-based system with a few public programs to try to fill in the gaps. A third of our healthcare dollar goes to administration for the hundreds of different insurance plans with their differing coverage, networks and rules. And we pay the highest prices, by far, for health services and pharmaceuticals because there is no rational system to set a fair price.

To begin to solve the healthcare crisis in the US, we need a system that is based on health and the money to pay for it. The proven solution is a universal not-for-profit, publicly-funded system that provides all medically-necessary care. House Resolution 676: "The Expanded and Improved Medicare for All Act," which has 72 co-sponsors, is the model for that system. This would address the fundamental causes of the healthcare crisis.

The good news is that not only do we have the money to pay for this system, but there is also widespread support for it. For decades many independent polls have shown more than 60% support by the general public, plus more than 80% support by Democratic Party voters, rapidly growing support by Republicans who earn under \$75,000 and majority support by health professionals.

Why a Public Option and Medicare for Some Plans will fail

Steve Bannon, President Trump's chief strategist, had an interesting statement in the [New York Magazine](#) recently. He criticized the Republican's American Health Care Act (AHCA) because it was "written by the insurance industry." That same criticism can be made of the Democrat's ACA, which was basically written by Liz Fowler, a former executive for WellPoint. She also oversaw the regulations' process.

The ACA is fundamentally flawed because it treats health care as a commodity, not a public necessity. It has achieved the best that it can do, and similar to other attempts at the state level that don't address the roots of the crisis, it is starting to deteriorate with stagnant coverage and rising premiums and out-of-pocket costs.

Attempts to improve the ACA with a public insurance or Medicare for some will bring coverage to a few more, but they will similarly fail over time because they will not change the system or control healthcare costs.

Sen. Sanders and others are pushing a public option. This would be a public insurance that people could choose instead of private insurance. It sounds good in theory but has not worked in practice because it draws the sickest patients and struggles to cover their care while keeping premiums and out-of-pocket costs affordable. Private insurers are experts at attracting the healthiest enrollees. In fact, [I have argued](#) that a public insurance is just what

the private insurers want (though they are unlikely to admit it) because it serves as a relief valve to take sick people off their hands. That leaves private insurers to focus on the young, employed and wealthy, from which they can collect premiums and who won't need much in the way of health care.

Sen. Sanders is also raising the possibility of lowering the age of Medicare to 55, [just as Alan Grayson suggested](#) in 2010. This is another gift to the insurance industry because it takes a group that is more likely to have health problems off of their books. It will place more of a burden on the Medicare system without bringing the cost savings needed to cover health needs. I call this Medicare for some to contrast it with Medicare for all.

The basic reasons that Medicare for all works are because the administrative simplicity of one universal plan provides over \$500 billion a year in administrative savings and its ability to negotiate fair drug prices means over \$100 billion per year in savings on pharmaceuticals. The savings offset the cost of paying for care and getting rid of out-of-pocket costs that currently keep people from seeking necessary care.

Rather than wasting time and effort on a public option or Medicare for some, which will still leave people out and maintain the high costs of health care, we need to mobilize to win national improved Medicare for all. Like other industrialized nations, we need to create a universal high quality health system. It doesn't make sense to leave anybody out when we have the resources to achieve it and public support for it. The only thing lacking is support from members of Congress. But as we witnessed last week with the defeat of the AHCA, changing the minds of members of Congress is within the power of the public.

The public option and Medicare for some are being used to divide and distract supporters of Medicare for all in order to weaken them and make them believe they are asking for too much, just as happened during the health reform efforts in 2008-10. We can't be taken off track again.

What is the real purpose of a public option or lowering the age of Medicare when neither is an effective nor a lasting solution? It is only because the Democrats are unwilling to take on the powerful health insurance and pharmaceutical industries. The problem is that we can't solve the healthcare crisis until we do.

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