

**UNIVERSAL HEALTHCARE COVERAGE AROUND THE GLOBE:
TIME TO BRING IT TO THE UNITED STATES?**

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When it comes to providing healthcare services to its citizenry, the United States lags behind other first-world nations. The U.S. is ranked 43rd in life expectancy when compared against all the other countries of the world.¹ Our diets and lifestyles play a significant role in our health as a nation, but our healthcare system also plays a major part. Unlike other first-world nations, the U.S. does not have a universal healthcare system that pays for and provides access to healthcare for its citizens. Instead, we have a patch-work of private insurers and federally-funded single-payers all competing in the same market. This paper examines national healthcare systems around the world, addresses how U.S. healthcare providers are currently coping with the present situation, and then offers up a solution for our healthcare access and cost problems.

Nationalized Healthcare Systems around the World

Five countries in particular offer universal healthcare to its citizens: the United Kingdom, France, Japan, Taiwan, and Canada. The mechanism differs between countries with some opting to provide a national healthcare service to their population, while others provide funding for a national healthcare insurance system. The funding mechanism for each system also differs with some using premiums or co-payments from patients and others relying solely on tax transfers. The United States could benefit from learning from the mistakes and positive aspects of these other international healthcare systems. A survey of these healthcare systems follows with background information for each system including patient accessibility and payment requirements.

United Kingdom

The British National Health Service (NHS) was founded in 1948 to provide healthcare access to the citizens of the U.K. free of charge.ⁱⁱ The NHS provides a plethora of medical, dental, and vision services with no charge to the patient at the point of service.ⁱⁱⁱ The service is available for all residents of the U.K.^{iv} Funding for the service comes from taxes, but as stated, the patients do not pay copayments or deductibles unlike in the U.S.^v

The NHS has become largely controversial in recent years with several efforts by members of parliament to privatize the system.^{vi} Waiting times for patients are cited as a major reason behind these efforts.^{vii} Patient access remains a significant problem in the NHS, a system designed to provide access to all citizens of the U.K.^{viii} Overcrowding in English hospitals is another problem for the NHS.^{ix} Shifting demographic realities is cited as a source of the problems, something the NHS has in common with the Japanese system discussed below.^x

France

France offers a similar universal healthcare coverage system to its citizens.^{xi} The French system relies on a network of both private and public providers to provide healthcare services to all French people and is funded by taxes that are levied on salaries and employers.^{xii} In France, however, patients do have copayments that are charged as flat fees when they seek services from providers.^{xiii} Like the U.K. NHS, the French system relies on governmental oversight to administer the program.

The French system has also been rated by the World Health Organization as the best in the world.^{xiv} It is often compared with the U.K. NHS because it relies on a universal health insurance system as opposed to a national health service provider.^{xv}

Japan

Japan also provides universal health insurance for Japanese citizens.^{xvi} Like the U.K. Japan provides healthcare services for its patients free of charge at the point of service.^{xvii} Japan notably places emphasis on preventative care, which needs to be more heavily emphasized in the U.S.^{xviii} Japan's system is funded through the payment, by patients, of a monthly premium.^{xix} The system is widely acclaimed; however, it is in a state of crisis due to the fact that the Japanese population is aging and simultaneously shrinking.^{xx} It also suffers from a lack of providers in Japan.^{xxi}

A lack of providers has contributed toward the problem of long wait-times for many years.^{xxii} Additionally, the Japanese are known for over-utilizing healthcare services because they are readily available and free of charge.^{xxiii}

Taiwan

Taiwan is another country that provides universal coverage to its people, and it has been doing so since 1995.^{xxiv} Its model is similar to Japan's model in that Taiwan provides universal healthcare coverage.^{xxv} Taiwan's system does require patients to pay co-payments for services provided, but they are extremely low costs.^{xxvi} Premiums are charged to employers and employees, if the patient is employed; or the government pays for the premiums for the unemployed.^{xxvii} Taiwan spends a significant lower amount of its GDP on healthcare than the U.S., but it still manages to provide universal healthcare coverage for all of its citizens.^{xxviii}

Additionally, Taiwanese citizens have good access to healthcare services.^{xxix} There are no required referrals, and preventative medicine is highly emphasized.^{xxx} The downside is that patients may over-utilize the system because they have free access to specialized care without a referral from a coordinating physician.^{xxxi} The Taiwan system provides comprehensive healthcare coverage that includes dental care.^{xxxii} The national health insurance negotiates billing rates with providers and pharmaceutical suppliers to keep overall costs down, a solution to the rising healthcare cost problem that could be better leveraged in the U.S.^{xxxiii} The Taiwan system, in contrast with the U.K. NHS, is not tax-based like the NHS is.^{xxxiv}

Canada

Canada provides universal healthcare to the Canadian people by publicly funding a health insurance system similar to Taiwan's system.^{xxxv} All citizens qualify for the healthcare coverage which also provides access to dental services.^{xxxvi} Canada has a higher life expectancy rate than its American neighbors to the south, and this is largely credited to Canada's healthcare system.^{xxxvii} However, the Canadian system is criticized for being expensive and having long-wait times, something in common with the Japanese system.^{xxxviii} The Canadian system is mostly public-funded a mechanism for funding that the U.S. could adopt.^{xxxix}

The U.S. Patient Care Cost Problem

Cost is one of the most significant barriers for patients in the U.S. healthcare system. Few things can be scarier to patients than the thought of receiving an impossible-to-pay medical bill for services already rendered by a health provider. Hospital systems throughout the country have attempted to cope with this problem by consolidating offices and eliminating duplicative administrative work.^{xi} In Connecticut, one hospital group went through a merger to achieve this end, and the results were savings for patients through the reduction of administrative costs.^{xii} Administrative overhead was decreased substantially, and non-patient-related services were eliminated.^{xiii} This trend will likely continue as healthcare providers strive to remain financially viable in light of new federal regulations that will be promulgated under the Affordable Care Act.

Consolidating, however, is not a panacea. The Federal Court of Appeals for the Ninth Circuit recently disassembled a merger of two originally-separate healthcare systems under § 7 of the Clayton Act.^{xliii} The case, *Saint Alphonsus Medical Center-Nampa Incorporated v. St. Luke's Health System, Limited*, dealt with a 2012 merger of two providers in Idaho that would have had a negative effect on a local healthcare population.^{xliv} The crucial issue for the district court in the case was the fact that the merged entity would be considered a “huge market share” and would result in reduced competition by providers competing for the patients seeking healthcare services in the area.^{xlv} The 9th Circuit affirmed the decision of the lower court and found the violation of the Clayton Act to be material in affecting the cost of healthcare to the local population.^{xlvi} This case does demonstrate that a systemic solution to our healthcare payment system is necessary to achieve the goal of lowering costs to improve access to care for patients in the U.S.

The cost of health care is closely intertwined with the ability of patients to gain access to the healthcare system. This is a particularly difficult situation for people who live in rural areas where practitioners may be scarce and patients are required to travel extensive distances to reach practitioners to care for them. Some providers are seeking to expand coverage to underserved areas by advocating for the elimination of regulatory hurdles to enable more practitioners to directly treat patients.^{xlvii} Two examples of this include nurse practitioners having more prescribing autonomy and dental hygienists being enabled to open solo practices without the presence of a dentist.^{xlviii} These problems could be addressed by providing healthcare coverage to all citizens by enabling patients to seek care from any provider as opposed to a provider that is within their private insurance coverage group.

The Solution: Medicare for All

One bill pending in Congress that could address the concerns lack of patient healthcare access and high costs would implement a single-payer or universal healthcare system.^{xlix} Since 2003, Representative Conyers of Michigan has, annually, introduced a bill to install a single-payer healthcare system for all U.S. citizens. The current form of the proposed legislation, H.R. 676, entitled, “A Bill To provide for comprehensive health insurance coverage for all United States residents, improved health care delivery, and for other purposes,” aims to address healthcare disparity, rising costs, and inadequate care as a matter of public health in a number of specific ways.¹

The proposed legislation seeks to provide coverage to all residents of the U.S. in a so-called “Medicare for All Program.”^{li} All residents seeking healthcare from providers will be presumed to be eligible for coverage under the program.^{lii} The program will cover a plethora of healthcare services including: primary care, hospital and emergency care, prescription drugs, mental health services, and dental and vision services.^{liii} Patients will not be responsible for paying for any part of the bill for services rendered,^{liv} and no health insurer will be permitted to sell insurance coverage that extends to the services paid for under this program.^{lv} The bill actually forbids providers from billing patients for any healthcare services provided.^{lvi}

Funding for the program will be achieved through the establishment of a “Medicare for All Trust Fund,” which will derive money from a number of sources including current forms of revenue for healthcare, a personal income tax increase on the top five percent of earners, a progressive excise tax on payroll, a tax on unearned income, and a tax on stock and bond transactions.^{lvii} By unifying the healthcare payment system, money is expected to be saved under the program by reducing paperwork, allowing the government to procure prescription drugs in bulk, and by emphasizing preventative rather than reactive healthcare.^{lviii}

The bill is also paid for in part by requiring healthcare providers to be public or not-for-profit businesses.^{lix} Investor-owned providers currently in existence will have a period of time to convert to not-for-profit businesses in order to submit claims for reimbursement under this program.^{lx} The theory behind the non-for-profit conversion is likely that the drafters of the bill anticipated cost savings for patients by removing the investor profit motive from the healthcare services equation.

Another way the bill aims to save the healthcare system money is by paying providers on a fee for service basis.^{lxi} Interest will be paid to providers for bills that go unpaid by the program for more than 30 days.^{lxii} Providers will submit bills to a uniform electronic billing system that is to be established by the program.^{lxiii} This system will be designed to reduce medical errors and bureaucracy.^{lxiv} Long-term care services are also provided for in this bill by establishing regional budgetary allotments to cover these services.^{lxv}

A noteworthy feature of the program is its intention to establish mental health parity. Under the program, medically necessary mental health care is to be paid for under the same rules as other healthcare services. This includes occupational therapy and counseling for patients with severe mental illnesses.^{lxvi} Mental health parity is a problem that has been addressed more frequently in recent years, but it still remains as a social problem in the U.S. that needs to be more effectively address. The stigma associated with mental healthcare is a major source of conflict that drives mental healthcare to be treated differently from physical healthcare. This bill will, if passed into law, address that disparity between mental and physical healthcare.

Prescription drugs will become more affordable to patients in the U.S. through the program’s establishment of negotiated prices for drugs and medical supplies.^{lxvii} Negotiated prices will be renegotiated annually, something that was not well thought out in the original passage of the Medicare Part D law under President George W. Bush.^{lxviii} The program establishes a national

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drug formulary system, one that is now largely established by individual states, and promotes the use of generic drug medications where available and bioequivalent/bioavailable.^{lxxix}

Generic drugs are approved by the U.S. Food and Drug Administration (FDA) when they are shown, through clinical trials, to be just as safe and efficacious as the original brand name drug. The savings for generic drug manufacturers, and ultimately for the patients who are prescribed generic drugs, are realized by virtue of the generic drug manufacturers not having to go through the full New Drug Application (NDA) process with the FDA. The NDA process can go on for many years at a large cost to generic drug manufacturers.

Lastly, the program will be studied over a 10 year period of time to determine whether or not Congress should extend the program to cover the healthcare services provided to patients that currently receive services from the Department of Veterans' Affairs.^{lxxx} The program will also be studied over a period of 5 years to determine the same with respect to the Indian Health Service.^{lxxxi}

Physicians groups in particular are happy to see this bill reintroduced in Congress.^{lxxxii} One group, Physicians for a National Health Program, issued a press release that stated that the bill would simplify the healthcare system in the U.S.^{lxxxiii} The result would be free choice and cost savings for patients and allow for greater emphasis on preventative medicine.^{lxxxiv} The group also points out that using Medicare as a framework for universal healthcare, which the bill would establish if signed into law, is a good blueprint to build upon with over 50 years of measurable results.^{lxxxv} If patients are asked whether or not they support Medicare-for-All, the majority support it.^{lxxxvi}

Overall, the bill establishes a universal healthcare payment system that takes money out of the pockets of for-profit insurance companies and healthcare providers and places it into the hands of not-for-profit providers with the sole interest of providing their patients with the highest quality of care. The healthcare insurance industry will need to shift resources to the new system because the demand for private insurance services will disappear. The bill provides for first priority hiring of workers from the healthcare insurance industry to smooth over the transition in these human capital resources.^{lxxxvii} For patients in the U.S. these changes are a longtime coming. The U.S. ranks eleventh in overall health of its citizens, behind ten different countries including New Zealand, Canada, Australia, Switzerland, Iceland, Sweden, Israel, Ireland, Spain, and Norway.^{lxxxviii} As the wealthiest nation in the modern world, we need to do better for our citizens. The commoditization of our healthcare system will need to align with the rest of the modern, industrialized world to better healthcare outcomes for all.

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