Institute of Medicine calls for universal health care in US

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In the course of his recent State of the Union address, President George W. Bush made clear his unaltered commitment to the existing for-profit health care delivery system in the US that has become increasingly unaffordable for millions of people.

"We will preserve the system of private medicine that makes America's health care the best in the world... A government-run health care system is the wrong prescription," he belligerently declared.

Significantly, a report issued just days before Bush's speech by the Institute of Medicine (IOM) states that a government-sponsored universal health care insurance is the "right prescription"—in fact, the only rational prescription. The January 14 report compiled by the institute, which is part of the National Academy of Sciences—a private organization chartered by Congress—detailed the harrowing consequences of the growing epidemic of uninsured. This is the first time the IOM has recommended that "*everyone* living in the United States should have health insurance."

"I believe we're reaching the point where the system is unsustainable," said one of the report's authors, Dr. Arthur L. Kellermann of the Emory University School of Medicine in Atlanta. Approximately 43.6 million people lacked health insurance at some point in 2002, compared with 39.8 million in 2000. This represents a staggering 17.2 percent of the population under the age of 65 and includes some 8.5 million uninsured children. Lack of health insurance causes roughly 18,000 unnecessary deaths every year, according to the report, entitled *Insuring America's Health: Principles and Recommendations.*

"The lack of health insurance coverage for a substantial number of Americans has been a public policy problem throughout the past century and particularly over the past three decades," states the report in its Executive Summary. "The problem of uninsurance has been growing in urgency...the gap between insured and uninsured people widens and raises questions of equity. This disparity in access to health care violates generally accepted American values of equal consideration and equal opportunity."

Although the United States ranks highest in health care spending as a percentage of GDP (14 percent in 2002) and ranks high in the availability of medical technology, the health of Americans ranks consistently poorly relative to that of residents of other industrialized nations—12th out of 13th in a 2000 comparison. For three indicators—low birth weight; neonatal mortality and infant mortality overall; years of potential life lost—the US came in last even after excluding external causes such as motor vehicle collisions and violence. Also, in OECD (Organization for Economic Cooperation and Development) comparisons of 29 developed countries, the US ranked 25th in male life expectancy and 19th in female life expectancy. Infant mortality rates were the highest among the listed countries.

Of 30 countries in the OECD health data, only Mexico and Turkey have higher uninsured rates than the US!

"Increasingly, the lack of health insurance is understood as a condition for which virtually all Americans are to some extent at risk over the course of their lives...rather than as a fixed characteristic of a well-defined segment of the population. Not all people, however, are equally at risk of being uninsured nor are all spells of uninsurance of equal length," write the authors of the study.

More than 80 percent of uninsured children and adults live in working families, and about the same percentage are US citizens. However, nearly two-thirds of all uninsured persons are members of families earning less than 200 percent of the federal poverty level ($36,800 for a family of four). While white, non-Hispanic people make up about half of the uninsured, minority group members have a higher risk of going without health insurance. But, states the report, "[p]eople may lack coverage regardless of age, education, or state of residence." The study points out that uninsured adults have a 25 percent greater mortality risk than do insured adults and that uninsured children risk abnormal long-term development if they do not receive routine care.

The high costs of health care premiums are the primary reason for uninsurance. For example, without an employer's contribution, a family insurance policy comparable to the average employment-based coverage would cost roughly 25 percent of pretax family income for a family at 200 percent of the federal poverty level. Small employers often receive poorer benefits for premiums compared to larger firms, whose

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administrative costs for insurance programs are usually 10 percent of premium versus 20 to 25 percent for smaller employers.

In constant 1998 dollars, the cost of employment-based health insurance increased 260 percent between 1977 and 1998, with the employee's share of premiums increasing 350 percent! Median household incomes increased only 17 percent. In 2003, the national average total annual premium for a family policy in an employment-based group exceeded $9,000.

Adolescents are a particularly high risk group for uninsurance. "Their need for some kinds of health care services, such as mental health screening and treatment for drinking and other risky behaviors, increases in their late teenage years, yet 17 percent of adolescents ages 15 to 17 are uninsured, the highest rate of all children. Over one-quarter (27.4 percent) of adolescents ages 10 to 18 in families earning less than the federal poverty standard are uninsured. Forty-four percent of young adults aged 19 to 29 are uninsured at least part of the year. Though generally a healthy population, young adults are particularly vulnerable to injuries, HIV, and pregnancy, but when uninsured their regular access to the health system is disrupted," according to the study.

Another high-risk group is the mentally ill, which is made up of more than 3 million adults with illnesses that can involve psychosis and aberrant behavior. Some 20 percent of these adults who do not reside in institutions lack medical coverage. Between 600,000 and 700,000 persons with severe mental illness are jailed each year.

Lack of insurance can affect access to necessary prescription drugs. The uninsured wait on average four months longer than insured patients to receive newer drug therapies for HIV. Only 43 percent of uninsured children have their prescriptions filled, compared with 61 percent of privately insured and 56 percent of publicly insured children.

Persons who are uninsured for the full year pay 35 percent, on average, of the overall cost of medical services they receive. Medical bills are a factor in nearly half of all bankruptcy filings.

The study estimates that the number of uninsured Americans will rise to more that 48 million in 2009, and, in the event of a recession, the number will reach 61 million. It states: "Over the past 25 years, the growth in the number of uninsured Americans has exceeded the rate of growth in the population under 65 years."

The IOM presented four prototypes for the implementation of universal health care reform from a combination of governmental and private schemes to a federally funded single-payer program. The committee brings out that "[s]ingle payer models, much like Medicare, are generally considered to have substantially lower administrative costs than private insurance plans, since the need for advertising, underwriting, and much eligibility and billing work disappears."

The IOM report concludes by presenting a scenario that should in a wealthy society be the rule, but is becoming the overwhelming exception: "Imagine what the country would be like if everyone had coverage—people would be financially able to have a health problem checked in a timely manner, to obtain preventative and primary care, and to receive necessary, appropriate and effective health services. Families would have security in knowing that they had some protection against medical bills undermining their financial stability. Key community providers and health care institutions could provide care to those who need it without jeopardizing their financial stability."

This is a tall order for present day America!

As the Bush administration praises the glory of a market-based, private medical system, researchers from the Public Citizen's Health Research Group found that bureaucracy in the health care system accounts for some 30 percent of total US health care spending. Health industry bureaucracy currently consumes at least $399.4 billion annually, while a national health insurance program could save some $286 billion in administrative costs. (For example, in Seattle, Washington, there are at least 755 different insurance plans!)

"Hundreds of billions are squandered each year on health care bureaucracy, more than enough to cover all the uninsured, pay for full drug coverage for seniors, and upgrade coverage for the tens of millions who are underinsured," said Dr. Steffie Woolhandler, co-founder of Physicians for a National Health Program and lead author of the study. "Americans spend almost twice as much per capita on health care as Canadians, who have universal health coverage and live two years longer... Instead of cutting Medicaid and other vital services, officials could expand services by freeing up the $286 billion a year wasted on administrative expenses. In the current economic climate, with unemployment rising, we can ill afford massive waste in health care. Radical surgery to cure our failing health insurance system is sorely needed."

Dr. David Himmelstein, also a co-founder of Physicians for a National Health Program, added: "Republicans are pushing to move seniors into HMOs, whose overhead is three times higher than Medicare's. National health insurance could cover everyone without any increase in costs."

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