

MO-ACHE Student Essay Award  
Essay Title: We're Asking the Wrong Question  
Washington University in St. Louis—Olin School of Business, May 17, 2019  
Andrew K. Schuette, Au.D. MBA Candidate  
270.577.0101 | Andrew.schuette@wustl.edu  
October 26<sup>th</sup>, 2018

Is health care a right or a privilege? Your answer likely depends on who you're voting for on November 6<sup>th</sup>. Our current climate is not one of debate, but tribalism; you're either with us or you're against us. The odds of convincing someone otherwise who believes health care is a right or a privilege is nearly impossible. We're asking the wrong question. The question we should be asking is—do we accept our broken health care system, **or** do we accept the consequences of achieving universal coverage? The goal of this essay is not to answer this question, but to provide a framework so the reader can answer it themselves.

We spent an average of \$10,438<sup>1</sup> on health care per person last year—more than any other country but have worse outcomes. For example, babies born in our country are three times as likely to die as those born in other developed countries<sup>2</sup>. In addition to high infant mortality, not everyone is covered—30 million citizens are uninsured<sup>3</sup>. It is estimated that 45,000 people die every year in the US due to a lack of insurance coverage<sup>4</sup>.

Medicare for All would cover everyone and eliminate out-of-pocket expenses. In the past five years, the average deductible increased by 40%<sup>5</sup>. Even after you've met your deductible, you might be on the hook for a lot more. Many patients have received bills for thousands of dollars for going out of their insurance coverage network (out-of-network). You might have a surgery at an in-network facility, but you don't know that the anesthesiologist is out-of-network. Or maybe you have a medical emergency and the closest hospital is out-of-network, as in the case of Drew Calver who received a bill for \$109,000 after a heart attack<sup>6</sup>.

While our health care system has its problems, it employs 16 million people—more than manufacturing or retail<sup>7,8,9</sup>. During the recession, the health care sector added jobs *every* month<sup>10</sup>. The private health insurance industry employs many of those working in healthcare. Medicare for All would eliminate private health insurance. Nearly half a million people<sup>11</sup> would lose their jobs with an average salary of \$93,000<sup>12</sup>; 40 billion dollars in income would vanish. To help, Medicare for All would provide up to 1% of the annual budget—estimated at 4.2 trillion dollars in 2022<sup>13</sup>—for five years through the Temporary Work Assistance Program<sup>14</sup>. Those employed in the private health insurance industry would not be compensated directly. They will have the option to utilize job training programs and many will struggle to find employment even with this help.

In addition to eliminating the private health insurance industry, the stock market would experience losses under Medicare for All. Health care is a major economic engine in the U.S. Three of the Fortune 10 are healthcare companies—CVS Health, McKesson, and United Health Group. The private health insurance industry represents approximately 300 billion dollars of stock market value. Health care companies have returned twice as much as the S&P 500 since the Affordable Care Act (ACA)<sup>15</sup>. The passage of Medicare for All would negatively affect the stock market.

There is also concern about meeting the demand of universal coverage. It is estimated that if health care is free, you would need 44% more appointments<sup>16</sup>. The options to accommodate more health care are—improve efficiency, hire more providers, or make people wait. No amount of efficiencies can create millions of new appointments. Hiring more providers may be difficult due to reductions in medical education funding and reimbursement. Medicare for All will cut payments by approximately 40%<sup>14</sup>, making the choice to go into healthcare less

appealing, especially with rising student loan debt. The most likely outcome is patients would wait longer for care. The average wait time to see a physician is 24 days<sup>17</sup>. This would likely increase to 35 days and may lead to more emergency room visits.

Healthcare in the U.S. is a privilege; there is no debate. Medicare for All would bring equity to our healthcare system. It would ensure no cost health care to every citizen of our country, end medical bankruptcy, and cost *less*; however, the process of unwinding our current system would be painful—higher taxes, loss of jobs, a lower S&P 500, and reduced income for health care providers.

It is not enough to say health care should be a right or a privilege; we need to weigh the costs. Do you feel it's more important to keep jobs and lower taxes at the expense of preserving our broken system **or** are you willing to accept higher taxes, longer waits, and other costs for universal health care with no out-of-pocket expenses that could prevent thousands of deaths<sup>3</sup>? *This* is the question we should be asking this November.

## Appendix

<sup>1</sup> Peterson-Kaiser Health System Tracker, "How does health spending in the U.S. compare to other countries?," 13 February 2018. [Online]. Available: <https://www.healthsystemtracker.org/chart-collection/health-spending-u-s-compare-countries/#item-start>. [Accessed 1 November 2018].

<sup>2</sup> A. Thakrar, A. Forest, M. Maltenfort and C. Forest, "Child Mortality In The US And 19 OECD Comparator Nations: A 50-Year Time-Trend Analysis," *Health Affairs*, vol. 37, no. 1, pp. 140-149, 2018.

<sup>3</sup> Henry J Kaiser Family Foundation, "Key Facts about the Uninsured Population," 29 November 2017. [Online]. Available: <https://www.kff.org/uninsured/fact-sheet/key-facts-about-the-uninsured-population/>.

<sup>4</sup> A. Wilper, S. Woolhandler, K. Lasser, D. McCormick, D. Bor and D. Himmelstein, "Health Insurance and Mortality in US Adults," *American Journal of Public Health*, vol. 99, no. 12, pp. 2289-2295, 2009.

<sup>5</sup> Kaiser Family Foundation, "Employer Health Benefits," 2017. [Online]. Available: <http://files.kff.org/attachment/Report-Employer-Health-Benefits-Annual-Survey-2017>. [Accessed 1 November 2018].

<sup>6</sup> NPR, "His \$109K Heart Attack Bill Is Now Down To \$332 After NPR Told His Story," 31 August 2018. [Online]. Available: <https://www.npr.org/sections/health-shots/2018/08/31/643342598/his-109k-heart-attack-bill-is-now-down-to-332-after-npr-told-his-story>. [Accessed 1 November 2018].

<sup>7</sup> FRED, Federal Reserve Bank of St. Louis, "U.S. Bureau of Labor Statistics, All Employees: Education and Health Services: Health Care," [Online]. Available: <https://fred.stlouisfed.org/series/CES6562000101>. [Accessed 31 October 2018].

<sup>8</sup> FRED, Federal Reserve Bank of St. Louis, "U.S. Bureau of Labor Statistics, All Employees: Manufacturing [MANEMP]," [Online]. Available: <https://fred.stlouisfed.org/series/MANEMP>. [Accessed 31 October 2018].

<sup>9</sup> FRED, Federal Reserve Bank of St. Louis, "U.S. Bureau of Labor Statistics, All Employees: Retail Trade [USTRAD]," [Online]. Available: <https://fred.stlouisfed.org/series/USTRAD>. [Accessed 31 October 2018].

<sup>10</sup> J. Lovelace, "Health care workers continue to be in demand through 2014," 23 July 2014. [Online]. Available: <https://www.careerbuilder.com/advice/health-care-workers-continue-to-be-in-demand-through-2014>. [Accessed 31 October 2018].

<sup>11</sup> Insurance Information Institute, "Insurance Industry Employment Trends: 1990-2017 (January 2017)," 10 March 2017. [Online]. Available: <https://www.iii.org/presentation/insurance-industry-employment-trends-1990-2017-january-2017-031017>. [Accessed 26 October 2018].

<sup>12</sup> Paysa, "Aetna Salaries," [Online]. Available: <https://www.paysa.com/salaries/aetna>. [Accessed 25 October 2018].

<sup>13</sup> C. Blahous, "The Costs of a National Single-Payer Healthcare System," 30 July 2018. [Online]. Available: <https://www.mercatus.org/publications/federal-fiscal-policy/costs-national-single-payer-healthcare-system>. [Accessed 30 October 2018].

<sup>14</sup> B. Sanders, "A Bill to Establish a Medicare-For-All National Health Insurance Program," 13 September 2017. [Online]. Available: <https://www.congress.gov/115/bills/s1804/BILLS-115s1804is.pdf>. [Accessed 29 October 2018].

<sup>15</sup> C. Lalley, "Health insurance companies are thriving in the age of Obamacare," 26 May 2017. [Online]. Available: <https://www.policygenius.com/blog/obamacare-health-insurance-company-stock-prices/>. [Accessed 25 October 2018].

<sup>16</sup> R. P. Ellis, B. Martins and W. Zhu, "Health care demand elasticities by type of service," *Journal of Health Economics*, vol. 55, pp. 232-243, 2017.

<sup>17</sup> Merritt Hawkins Team, "2017 Survey of Physician Appointment Wait Times," 22 September 2017. [Online]. Available: <https://www.merrithawkins.com/news-and-insights/thought-leadership/survey/survey-of-physician-appointment-wait-times/>. [Accessed 31 October 2018].