Closing the Gaps  
PRO Case by "Coach Vance" Trefethen



The Affordable Care Act (a.k.a. “Obamacare”) of 2010 was a step in the right direction towards assuring that no one in America would have to go without health insurance. Lack of health insurance is a very dangerous proposition in this country in this generation, because it means you will either go bankrupt trying to pay for life-saving medical care, or you will do without such care. You will end up either broke or dead. But the ACA, which subsidizes private insurance coverage, didn’t completely solve the problem, because no private insurance scheme can. It fails due to “adverse selection,” the problem of sick people buying health insurance and healthy people dropping out. If only the sick buy insurance, costs go up and more healthy people drop out, until it “death spirals” into bankruptcy or costs spin out of control. The only way to spread the risk of sickness across a large enough pool of people to make it affordable is with a mandatory national coverage scheme. Tax everybody and spread the risk across everybody and health insurance becomes affordable for everybody, which means health care becomes affordable for everybody.

Close the Gaps

Access to affordable health care is literally a matter of life and death, and the United States is the only major industrialized country that doesn’t have universal health coverage. It's time to affirm that the United States federal government should enact the Medicare For All Act of 2019.

First, let’s define what we’re affirming. The Kaiser Family Foundation in May 2019 summarized the proposal as a “Single federal program with comprehensive benefits for all US residents.” It would be “Tax financed (no premiums, limited cost sharing).” It “Replaces all private insurance, Medicaid, Medicare and CHIP [Childrens Health Insurance Program] for covered benefits.” And it would establish “Auto-enrollment of newborns at birth.”[[1]](#footnote-1)

There are three reasons you should support Medicare For All:  
1 – Private insurance inherently fails  
2 – Gaps in health coverage create big problems  
3 – Better outcomes with Medicare for All  
Let’s start with…

# Contention 1. Private insurance inherently fails

Private health insurance suffers from a structural defect that really can’t be reformed without replacing it entirely. The defect is known “adverse selection.” People at high risk who want health insurance can’t get it or can’t afford it, and if they do get it, insurers face very high costs to pay for their care. Meanwhile healthy low risk people don’t think they need it and certainly don’t want to pay the higher premiums needed to offset the cost of care for the risky people. Meredith Miller explained in 2018 QUOTE:

“Adverse selection in health insurance occurs when healthy people chose less expensive plans or opt out of health insurance entirely, while unhealthy people choose more expensive plans with more generous coverage. This leads to an unequal distribution of healthy and unhealthy people signing up for a more expensive plan.”[[2]](#footnote-2)

END QUOTE. And the Affordable Care Act, “Obamacare,” didn’t solve. Commenting on the problems that continue under the current system, Sterling Price noted in 2020 QUOTE:

“Even with these policies in place, insurance companies still face adverse selection. For instance, data has indicated that some consumers game the system by qualifying for [special enrollment periods](https://www.valuepenguin.com/obamacare/special-enrollment-period) when they should not. A special enrollment period is a period of time which allows you to purchase health insurance outside of the mandatory enrollment periods. In this scenario, there's asymmetric information between parties, since the consumer is withholding that they may only be applying for health insurance because they happen to be sick. Furthermore, once they are not sick anymore, the consumer may just drop the health insurance because they do not require the coverage. In addition, the individual mandate tax penalty is gone for the 2019 policy year, which may lead to an increase in adverse selection. Healthy people now do not face a penalty if they decide to go without health insurance coverage and may drop their individual health insurance plans if they cannot easily afford a policy.”

END QUOTE. Eventually as insurance tries to cover the sickest patients, prices rise, more healthy customers drop out, prices have to rise even more, and eventually it collapses. Basically you have to enroll everyone to spread the risk across the entire population and optimize the cost. But let’s see another reason why the Status Quo fails in…

# Contention 2. Gaps in health coverage create big problems

The Annals of Internal Medicine in January 2020 reported the massive and worsening gaps in health insurance coverage today when they wrote QUOTE:

“The Patient Protection and Affordable Care Act of 2010 (ACA) led to historic reductions in the number of uninsured persons, yet nearly 30 million remain uninsured, millions more are underinsured, and the number of uninsured persons is expected to grow ([4](https://www.acpjournals.org/doi/full/10.7326/M19-2415#r4-M192415), [5](https://www.acpjournals.org/doi/full/10.7326/M19-2415#r5-M192415)). In part, this is the result of congressional policy decisions, including the prohibition on premium tax credits to undocumented immigrants and limiting eligibility for premium tax credits and cost-sharing reduction assistance to people with incomes under 400% of the federal poverty level (FPL), as well as some states' decisions not to broaden Medicaid eligibility after a 2012 U.S. Supreme Court decision that made expansion optional ([6](https://www.acpjournals.org/doi/full/10.7326/M19-2415#r6-M192415)).”[[3]](#footnote-3)

END QUOTE. And two terrible outcomes from going without health insurance are bankruptcy and death. First, regarding bankruptcy, Kern Jolibois wrote in 2020 QUOTE:

Bankruptcy filings in the U.S. are increasingly due to illnesses, and associated mounting medical bills. The American Journal of Medicine published a study on medical bankruptcy in the U.S., using data from a random national sample of 2,314 bankruptcy filers in 2007. It found that 62.1% of all bankruptcies in 2007 were of medical origin; 92% of these debtors had medical debts exceeding $5,000. Surprisingly, three quarters of these medical debtors had health insurance (Himmelstein, Thorne, Warren, & Woolhander, 2009). Another study also reported that 27-50% of bankruptcies can be associated with high medical bills (Marthur, 2012). The results of a more recent study found that in 2015, about 1 million adults have declared bankruptcy because of medical bills, and approximately 52 millions of Americans age 18 to 64 struggled to pay medical bills (Hamel, et al., 2016).[[4]](#footnote-4)

Second, people without health insurance coverage don’t get the care they need and they get sick and die. Quoting Dr. Andrew Wilper M.D. in 2009, we learn the awful human cost when he says QUOTE:

“Lead author Dr. Andrew Wilper, who worked at Harvard when the study was done and who now teaches at the University of Washington Medical School, said: “Our study should lay to rest the myth that the uninsured can get the care they need. Millions have serious chronic conditions and don’t even know it. And they’re not getting care that would prevent strokes, heart attacks, amputations and kidney failure.” Referring to a study released in the American Journal of Public Health last month, which has been widely quoted by Sen. Max Baucus and others, he added: “Our previous work demonstrated 45,000 deaths annually are linked to lack of health insurance. Our new findings suggest a mechanism for this increased risk of death among the uninsured. They’re not getting life-saving care.””[[5]](#footnote-5)

# Contention 3. Better outcomes with Medicare for All

Experts agree that single-payer national health insurance is the only way to get affordable care to everyone. Dr. Steffie Woodhandler M.D. said it simply as QUOTE:

“Dr. Steffie Woolhandler, professor of medicine at Harvard and study co-author, said: “The uninsured suffer the most, but even Americans with insurance have shocking rates of undertreatment, in part because high co-payments and deductibles often make care and medications unaffordable. We need to upgrade coverage for the insured, as well as covering the uninsured. Only single-payer national health insurance would make care affordable for the tens of millions of Americans with chronic illnesses.””[[6]](#footnote-6)

END QUOTE. And Medicare for All is the cost-effective way to do it. Eagan Kemp explained in 2019 QUOTE:

“[Nearly half of all Americans](https://bit.ly/CuBUXo) report that they avoided going to the doctor when sick or injured in the past year due to cost, meaning that many Americans put off care rather than risk [medical debt](https://bit.ly/2ODJkk5) and even bankruptcy just to get the care they need. Earlier treatment would reduce the need for more expensive care later. All this is possible without paying more for health care than we currently do. Even the Koch-funded Mercatus Institute estimates that Medicare for All would [save](https://www.peoplespolicyproject.org/2018/07/30/mercatus-study-finds-medicare-for-all-saves-2-trillion/) [$2 trillion](https://abcnews.go.com/Politics/32-trillion-price-tag-sanders-medicare-program-koch/story?id=56938226) over a decade. The Political Economy Research Institute (PERI) at the University of Massachusetts Amherst found the U.S. could reduce total health spending over a 10-year period by more than [$5 trillion](https://www.peri.umass.edu/publication/item/1127-economic-analysis-of-medicare-for-all). Some additional taxes would be needed to pay for Medicare for All, but most Americans would [pay less](https://www.peri.umass.edu/publication/item/1127-economic-analysis-of-medicare-for-all) in such taxes than they currently do on health insurance premiums, copays, deductibles and out-of-pocket health care costs.”[[7]](#footnote-7)

END QUOTE. And finally, our…

# Conclusion

Private insurance cannot cover everyone, its costs are rising and unsustainable, and people are going bankrupt and dying. Medicare For All is the answer, and we urge you to join us in affirming this resolution.

1. ## Kaiser Family Foundation, 15 May 2019 “Compare Medicare-for-all and Public Plan Proposals” (brackets added) <https://www.kff.org/interactive/compare-medicare-for-all-public-plan-proposals/?gclid=CjwKCAjw4MP5BRBtEiwASfwALycsWiziiFdKXMrIt2bMzTXpMEQJOejGTiH1hQ9iZevXzyN3YfuNWxoCXz8QAvD_BwE>

   [↑](#footnote-ref-1)
2. Meredith Miller 13 Sept 2018 “Adverse Selection in Health Insurance – Cost And Inequality” <https://www.firstquotehealth.com/health-insurance-news/adverse-selection-health-insurance> [↑](#footnote-ref-2)
3. Annals of Internal Medicine, 21 Jan 2020 “Envisioning a Better U.S. Health Care System for All: Coverage and Cost of Care” <https://www.acpjournals.org/doi/full/10.7326/M19-2415> [↑](#footnote-ref-3)
4. *Kern G. Jolibois 2020 (PhD candidate in Health Policy at University of the Sciences in Philadelphia) “Health Insurer Competition and Premium Growth in Employer-Sponsored Health Insurance”* [*https://search.proquest.com/openview/3a53dd8128c7c47f69e839b1ae721edc/1?pq-origsite=gscholar&cbl=18750&diss=y*](https://search.proquest.com/openview/3a53dd8128c7c47f69e839b1ae721edc/1?pq-origsite=gscholar&cbl=18750&diss=y) [↑](#footnote-ref-4)
5. # Physicians for a National Health Program (PNHP) 20 Oct 2009 “Illness often undiscovered and undertreated among the uninsured” quoting Dr. Andrew Wilper M.D. <https://pnhp.org/news/illness-often-undiscovered-and-undertreated-among-the-uninsured/>

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6. Physicians for a National Health Program (PNHP) 20 Oct 2009 “Illness often undiscovered and undertreated among the uninsured” quoting Dr. Steffie Woolhandler M.D., professor of medicine at Harvard <https://pnhp.org/news/illness-often-undiscovered-and-undertreated-among-the-uninsured/> [↑](#footnote-ref-6)
7. *Eagan Kemp 2019 (expert in health care policy with Public Citizen; formerly senior policy analyst at the U.S. Government Accountability Office; master’s degree in sociology from Simon Fraser University in Vancouver) “Why Medicare for All, Not a Public Option, Is the Best Solution” (ethical disclosure: Article is undated but references material published in 2019)* [*https://www.citizen.org/article/why-medicare-for-all-not-a-public-option-is-the-best-solution/*](https://www.citizen.org/article/why-medicare-for-all-not-a-public-option-is-the-best-solution/) [↑](#footnote-ref-7)