

First Choice 2004: Know *What You Want* Before You Choose *Who You Want*

1 Use competition to make the system more efficient

2 Expand the current system to cover more people

3 Create a national health care system

Status Report: Where Are We Now?

The problem with the American health care system is simple and persistent: Some people just can't afford to get sick.

Medicine offers new and better treatments every day and more than a few are developed in the U.S. – there's a reason why people from overseas fly here for advanced treatments. But some 43 million Americans don't have health insurance, and those who do are paying more and more.

Health care experts say there are three key qualities a good system should have: quality, access and reasonable cost. But it's difficult to get all three at the same time. If you offer coverage to everyone, costs will go up. If you act aggressively to control costs, you might have to cut quality. Offer the best high-tech care, and you may not have the money to extend

coverage to more people.

And you don't have to be sick or uninsured to have a personal stake in this debate. If you get insurance from your employer, rising premiums are probably taking a bite out of your take-home pay. If you're young and healthy, maybe you can "go bare" and gamble on going without insurance. But for many people with families to care for or illnesses of their own, fear of losing insurance can keep them in jobs they don't like – or threaten their financial security if they become unemployed.

The American way

In many European countries and Canada, there are government-run health care systems that cover everybody – in fact many of those nations guarantee health care as



More information on skyrocketing prescription drug costs is available in our issue guides on [Health Care](#) and [Medical Research](#).

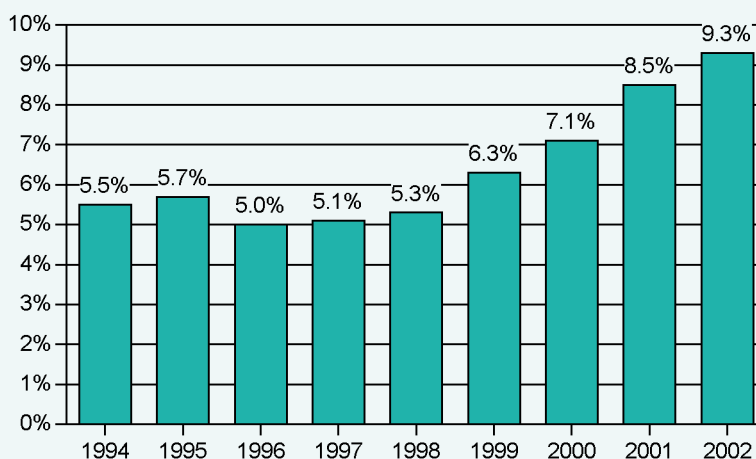
a basic right, much as Americans have the right to attend a public school.

In the U.S., while people sometimes talk about health insurance as a right, it really isn't. For most Americans, health coverage is a benefit they get from their employer, like paid vacation. And like paid vacation, the employer is not required to offer insurance. Some government programs offer health insurance to the elderly (Medicare), the poor (Medicaid) and children (the Children's Health Insurance Program).

So when people talk about "the health care system," they're talking about a hodgepodge of programs that cover some people and not others, and benefits that vary from situation to situation. Changing the system is politically difficult. Even attempts to make the current system more effective run the risk of alienating special interests ranging from businesses, unions and the elderly to doctors, drug companies and insurers.

Rate of growth of health care spending on the rise

Average annual percentage growth in national health expenditures, 1994-2002



Source: "National Health Expenditures," January 2004, Centers for Medicare and Medicaid Services

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Who's got it, who doesn't

About 43 million people, or 15.2 percent of the population, lacked health insurance during 2002, the latest year figures are available from the Census Bureau. But certain groups are more likely to have insurance than others:

▶ *The elderly.* Granted, Medicare has flaws – it doesn't cover everything and it's likely to go broke eventually unless reforms are made. But thanks to Medicare, nearly everyone over 65 has health coverage.

▶ *People who work for large- and mid-sized organizations.* Almost all companies (98 percent) with more than 200 employees offer health insurance. Employee insurance policies almost always cover the spouses and children of workers as well. By comparison, only two-thirds of business with fewer than 200 workers offer insurance, according to the Kaiser Family Foundation.

Likewise, there are people who are more likely to be uninsured:

▶ *Young people.* Nearly 30 percent of those aged 18-to-24 are without health insurance, according to the Census Bureau. This is

probably because most young people have entry-level jobs that don't provide insurance. Then again, young people tend to be healthier and have less need for insurance.

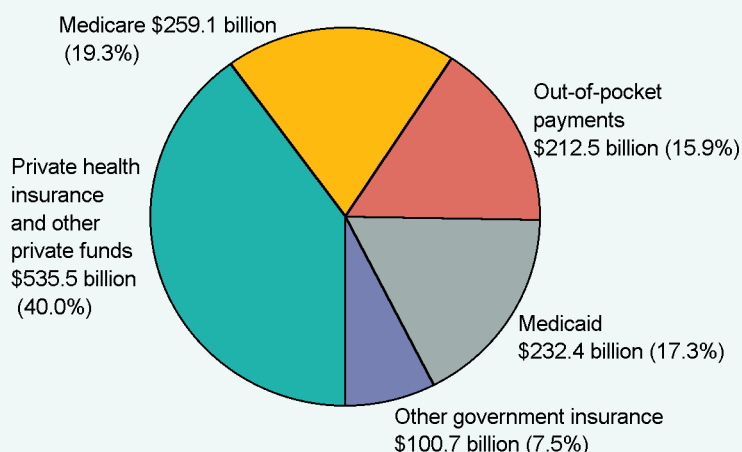
▶ *Low-income people and the unemployed.* When people lose their jobs, they lose their benefits too, although federal law allows people to continue their employer

insurance at their own expense for up to 18 months. Many low-wage or part-time jobs don't offer any kind of benefits, so the working poor rarely have insurance. Medicaid does cover many poor people, but not all of them.

▶ *Minorities.* Nearly a third of Hispanics lack insurance, according to the census, while both blacks and Asians are more likely

Private vs. public expenditures on health care

Personal health care spending by source of funds, 2002



Source: "National Health Expenditures," January 2004, Centers for Medicare and Medicaid Services

The Public's Viewpoint

There is a lot of ambivalence and many contradictions in public attitudes on health care. The answers in opinion surveys conflict and sometimes seem to change depending on how the question is phrased, which to pollsters is an indication that people haven't thought through an issue.

In surveys, the public thinks health care is important, but not as important as terrorism, the

economy or education. **Most people considered cost and access to health care as the most urgent health problems** in 2003, compared to 1999 when AIDS and cancer topped the list. A majority says the health care system needs fundamental changes.

Yet **most Americans say they're satisfied with the quality of health care they receive and their own insurance coverage.** Most Americans say the federal government

should guarantee health insurance for all Americans, and even support a government-run universal health care system, but support falls if it means a limited choice of doctors or waiting lists for treatment. While majorities say they support the idea of prescription drug benefits for seniors, Americans are divided on the actual changes recently made to Medicare.

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to go without than whites. Most experts believe this is at least partially because minorities are more likely to have low-wage jobs.

No job, no insurance

Because so many people get health coverage as part of their job (some 61 percent of the population all told), there's a predictable pattern among the uninsured: when the economy is booming as it was in the late 1990s, more people have coverage. When there's a recession, the number of uninsured goes up.

Of course, anybody can go to their neighborhood insurance agent and buy a health policy – but since you don't get the group discounts businesses get, you'll be paying the highest rates. Only 5 percent of the population has these individual policies.

The price of health

For those who do have insurance, it isn't cheap. Health care spending increased 7.8 percent in 2003, according to federal government estimates. If nothing changes, the government estimates the U.S. will be spending \$3.4 trillion a year, or more than 18 percent of the gross domestic product, on health care by 2013.

Health care experts say the biggest factors driving increased costs are the cost of prescription drugs and the overall aging of the population. Life expectancy has grown dramatically, with both men and women gaining an average of eight years since 1950. But as people get older, they often get sicker and that drives up their health costs.

The number of prescriptions dispensed increased by 65

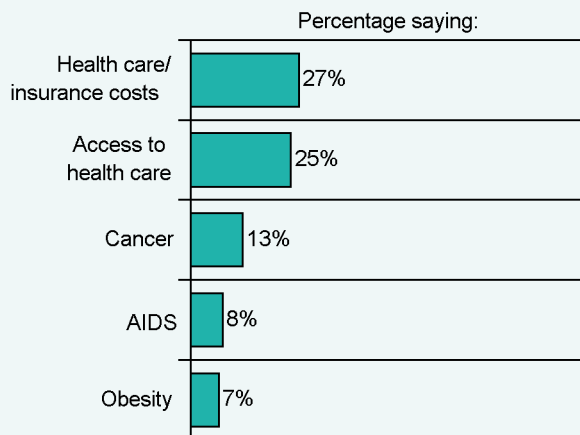
percent between 1993 and 2001, while the average price of a prescription jumped 85 percent. Critics point out that prescriptions cost less overseas. The pharmaceutical companies contend that high prices are the cost of innovation as they research new drugs – drug firms spent \$30.3 billion on research in 2001.

Some other analysts point to other factors driving up costs, such as malpractice litigation (and over-cautious treatment by doctors to avoid it) and the paperwork needed to deal with all the private and public insurers.

Businesses have to make a profit, after all, and money that goes to health insurance isn't there for pay raises, other benefits or hiring more workers. So health care costs directly affect take-home pay as many employers require workers to pay part of their health insurance costs.

Cost and access to health care are the most urgent health problems in the eyes of the public

What would you say is the most urgent health problem facing this country at the present time?



Source: Gallup Organization 11/03

Face the Facts

The average annual premium to provide health insurance to an individual employee was \$3,383 in 2003, of which the employer paid \$2,875 and the worker made up the difference. To cover a family of four, the average annual premium was \$9,068. The worker contributed \$2,412 and the employer paid \$6,656, according to a survey by the Kaiser Family Foundation.

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Additional Resources

- ▶ Visit our partner, **The New York Times Learning Network** for the latest campaign news, stories, and information on what the candidates are saying about these issues. For more information specifically on health care, visit their **Issues in Depth** section.
- ▶ Even more information about the candidates and the campaign is available from our partner, **MTV's Choose or Lose**.
- ▶ **Youth Vote** is the nation's largest nonpartisan coalition working to increase the political involvement of 50 million Americans between 18-30 years old. The Youth Vote coalition consists of over one hundred diverse national organizations representing hundreds of organizations and millions of young people.
- ▶ **Kids Voting USA** fosters an informed electorate by educating and engaging students and their families in voting and other elements of effective civic engagement.
- ▶ To find out more about specific candidates running for office in your area, we suggest the nonpartisan Web sites **Project Vote Smart** or **DemocracyNet**.
- ▶ For more information on health care, visit **Public Agenda Online's issue guide**.
- ▶ Think you know this topic? Try our **Test Your Knowledge** feature.
- ▶ Think these choices don't go far enough? Do you want to mix and match options? Visit Public Agenda Online and try our **Create Your Own Choicework** feature.
- ▶ Want to find organizations on all sides of this issue? Visit **Sources and Resources**.
- ▶ Funding for First Choice 2004 was provided by the **Carnegie Corporation of New York**.

Set Your Own Priorities

Making public policy decisions isn't just about choosing the best way of attacking a problem – you also have to consider which problem should be tackled first. There are lots of things the government *could* do, and many it *should* do, but not even the federal government can do everything at once. So priorities have to be set. With our **First Things First** feature on Public Agenda Online, you can work through what you think the next administration should do – and what it should do first. Find out more at:

www.publicagenda.org/firstchoice2004/first-things-first.cfm

Find Out More About the Issues

If you like this edition of *First Choice 2004*, read some of our companion guides on:

- ▶ Terrorism and Foreign Policy
- ▶ Health Care
- ▶ Race and Affirmative Action
- ▶ Gay Rights
- ▶ Paying for College
- ▶ The Environment
- ▶ Jobs and the Economy
- ▶ Taxes and the Deficit
- ▶ Immigration

For even more detail, visit **Public Agenda Online**, which offers nonpartisan issue guides on 21 issues ranging from abortion to welfare reform.