

# We can provide health insurance for all Americans ...

... if we only open our eyes

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The American health care system is in crisis. A record 44.8 million citizens lack health insurance,<sup>1</sup> while the United States pays nearly twice as much for health care as other nations (see chart, next page). However, when politicians discuss how to expand health insurance coverage, they seldom look beyond our own shores. They typically cite the Canadian experience and debate if our nation could adopt a similar health insurance model. But contrary to what “Sicko” documentary maker Michael Moore and others of his ilk say, single payer systems don’t work.

This nearsighted approach fails to examine the successful multipayer, universal enrollment health insurance systems in Germany, the Netherlands, Ireland, Australia, Japan, France and Switzerland. Those health care systems are efficient, preserve care alternatives, have virtually no waiting times for elective procedures and boast substantially lower total expenditures than the United States.

The chart displays the problem with our health care system. Compared with other industrialized nations, the United States has twice the per capita health care expenditure, with only a minor difference in per capita gross domestic product, a measure of productivity and wealth.

### What can be done to provide universal health insurance?

Health care systems can be classified into four categories:

- Nationalized;
- Single-payer;
- Multipayer universal enrollment; and
- The U.S. multipayer, nonuniversal enrollment system.

In nationalized systems, the government owns the hospitals, clinics, X-ray machines,

lab equipment and tongue blades. The government writes the paychecks for the doctors, nurses, techs and housekeepers. If you work in health care, you work for the government.

Some nations, such as Canada and Great Britain, have a single-payer system. Their governments use tax revenues to pay public and private health care providers for the services they render.

The universal enrollment, multipayer health care systems provide comprehensive medical services from a system of state-financed insurance programs that co-exist with a thriving private health insurance industry.

### Access and solvency

Every health care system can be measured by access and solvency.

Both the U.S. and Canadian systems fail at access. Sixteen percent of the U.S. population lacks health insurance.<sup>2</sup> Canada’s system doesn’t work because its citizens have the longest waiting times for elective procedures of all industrialized nations.<sup>3</sup> Single-payer and nationalized systems have lengthy waiting times for patients to receive care.

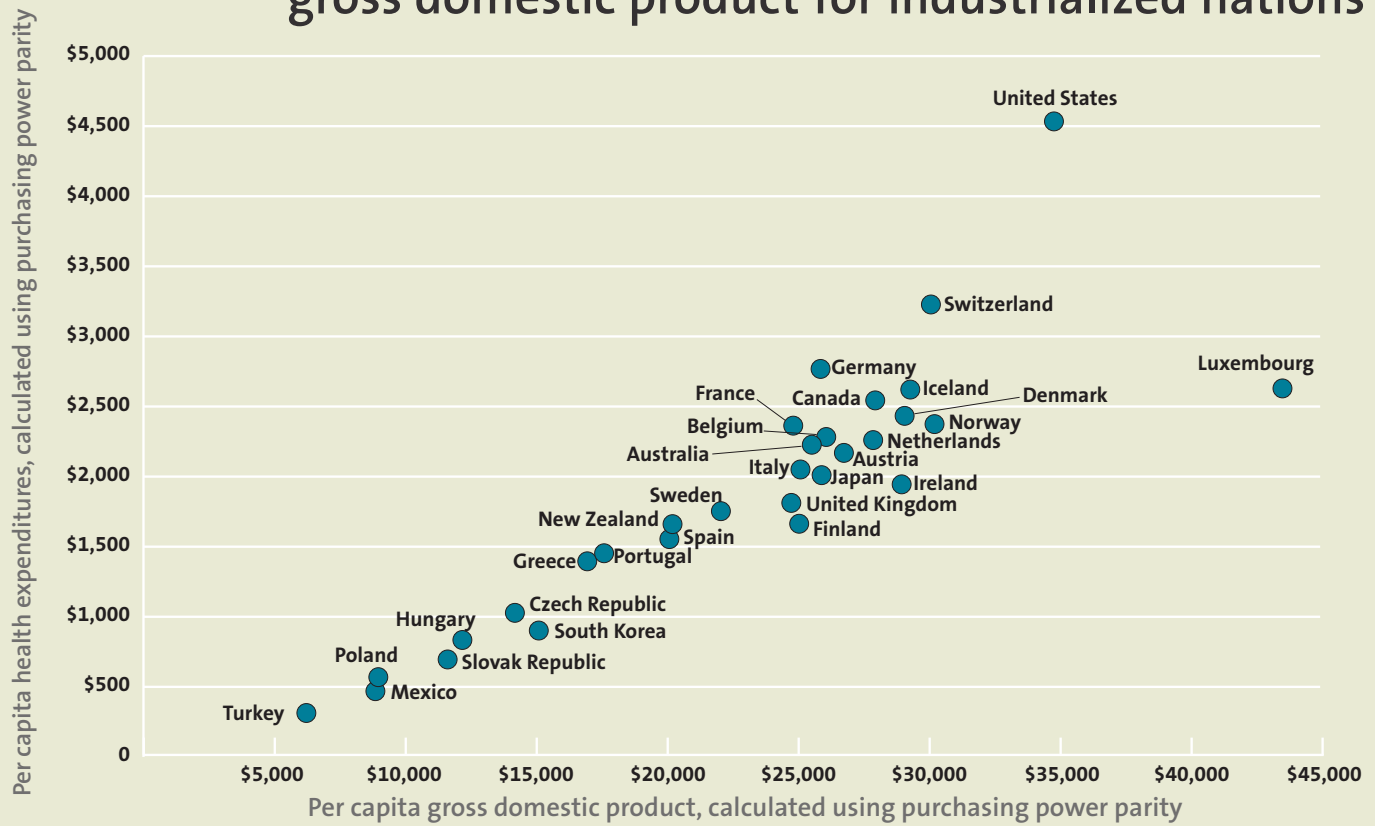
In those systems with no alternative insurer, the government unilaterally sets payment rates. This means that the amount that doctors and hospitals receive for services is subject to the capricious decisions of government officials.

However, the multipayer universal health care systems in Europe and Asia preserve the open market. Multiple private insurers and the government independently set payment rates. That allows providers to preferentially accept patient contracts that pay the true value of services.

### How is it done?

Multipayer universal health care systems have policy instruments that facilitate uni-

## Per capita health care expenditures and per capita gross domestic product for industrialized nations



Source: Cotis JP. Healthcare demand in Europe: Economic growth and sustainability of the European model. Paris, France. Copyright Organisation for Economic Cooperation and Development, 2003.

versal health insurance. Each of those nations, although they developed their systems independently, has enacted five policies that enable lower health care costs while providing high-quality, accessible health services:

- Complimentary roles for public and private insurers — Both the private and public plans offer similar uniform insurance products. Residents may choose either a public or a private plan and may purchase additional coverage, but no one is denied coverage;
- Mandatory enrollment — Universal enrollment is by default or by mandating that residents choose a private or a public plan, but everyone must be insured;
- Community ratings — All insurers must sell a uniform, minimum-benefits package, distributing risk across the entire community;

- Guaranteed issue — No one can be denied insurance coverage, regardless of age or pre-existing illness; and
- Uniform benefits — Everyone receives a basic level of health care coverage.

If the United States is to succeed in restructuring its health care system, and provide all residents with health insurance, our leaders need to overcome the national myopia and examine how other countries provide for the medical needs of their people. 🌐

### notes

1. U.S. Census Bureau, [www.census.gov/Press-Release/www/releases/archives/health\\_care\\_insurance/009789.html](http://www.census.gov/Press-Release/www/releases/archives/health_care_insurance/009789.html), accessed May 11, 2007.
2. Census Bureau Revises 2004 and 2005 Health Insurance Coverage Estimates. U.S. Department of Commerce. [www.census.gov/press-release/www/releases/archives/health\\_care\\_insurance/00987.html](http://www.census.gov/press-release/www/releases/archives/health_care_insurance/00987.html), accessed May 11, 2007.
3. Tuohy CH, Flood CM, Stabile M. How does private finance affect public health care systems? Marshaling the evidence from OECD nations. *Jnl Health Politics, Policy and Law*. 2004; 29(3):359-396.

### [mgma.com](http://mgma.com)

From the home page, search for “universal health insurance”

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