

# >> Comparing Approaches

**A**CCORDING TO A RECENT Kaiser Family Foundation survey, 65 percent of Americans are worried that they might not be able to afford the health care they need. Rising health-care costs are a key driver in a troubling aspect of the American health-care situation: the remarkable number of citizens who have no health insurance.

Forty-seven million Americans, or fifteen percent, go without insurance, a number that has been rising and is estimated to keep on going up. The cost of this trend—to society as a whole and to individuals—can be staggering. When individuals cannot pay their medical bills, the costs get passed on to the public to the tune of almost \$35 billion a year.

The health-care problem in America, while driven in many ways by cost, is not solely a dollars and cents issue. Deeply held values come into play and many are threatened by trends in the current system. For instance, rising prices increasingly create a have vs. have-not health-care system in which the poor have very limited access to care, an inequity that many Americans find intolerable. Some people maintain that rising costs are driven, in part, by greed on the part of pharmaceutical or medical equipment manufacturers, and that motivation, they say, deserves no place in something that touches the well-being of all citizens. And rising costs leave many insecure over the prospect that a serious illness will lead to financial ruin.

The approaches in this issue book arise from these concerns. At issue are the tensions and trade-offs between them. Should we tinker with the system we have, or try something new? If we push for reduced prices, are we willing to accept cost-cutting treatments by health-care providers? If we institute a new, government-run system, can we accept the taxes this will necessitate? If we require that everyone be covered by an insurance policy, are we willing to do what it takes to make sure that they are affordable for all?

The questions underlying these tensions, and the questions we must address are these: How can we get the health care we require, in the face of rising costs? How can we pay for what we need?

## APPROACH ONE

### >> Reduce the Threat of Financial Ruin

The costs of health care make people feel vulnerable, with no control over their futures. They worry that they may be wiped out by medical expenses. We should require that everyone has health insurance that covers at least major medical expenses and ensure that it is available to everyone.



#### What Should Be Done?

- Require all Americans to have some form of health-care coverage.
- Require employers to provide health insurance coverage to their employees or to pay into a fund that subsidizes individual coverage.
- Create new insurance plans with higher deductibles.
- Help people ineligible for current plans to buy health insurance.

#### Arguments in Favor

- The main problem is that too many people are financially vulnerable when it comes to health care.
- A number of states, such as Massachusetts, already have workable plans that include a requirement for major medical insurance and subsidies for getting more coverage to more people.
- People should be offered more choices about how to handle medical expenses.

#### Trade-Offs

- This approach depends in part on increasing subsidies for people who don't have health insurance. This money may have to come from increased taxes.
- Some people will still underinsure themselves.

#### Opposing Voices

- Health insurance plans that have high deductibles will discourage people from getting early diagnosis and treatment.
- This will cost more than proponents say it will.
- This is an unworkable expense, especially for small businesses.
- This approach will do nothing to contain ballooning prices.

**APPROACH TWO**

>> **Restrain Out-of-Control Costs**

When faced with the bills for health insurance, medical services, and prescription drugs, people say they are being ripped off. Prices are out of control. They should be reduced directly through price controls and other means.



**What Should Be Done?**

- Use the regulatory power of the government to set prices on medical services and prescription drugs.
- Limit the increased premiums that insurers can charge for people with health problems.
- Allow individuals to purchase medicine from other countries where they are not as expensive, if they meet safety criteria.
- Place limits on the compensation levels of health insurance executives, doctors, and others.

**Arguments in Favor**

- Health-care prices are skyrocketing, way beyond what is reasonable.
- Too many are taking advantage of rising costs to unfairly enrich themselves.
- Direct price controls are necessary to bring the system under control.

**Trade-Offs**

- Lower insurance rates may lead to overcrowded facilities as providers try to cut costs.
- Caps on fees can lead to a decline in the availability of services.

**Opposing Voices**

- Cost controls may result in reluctance on the part of health-care providers to use expensive, but lifesaving, medical technologies.
- Government price controls distort the market. Competition is the best way to keep prices low.
- This will stifle innovation and advances in medical technology and pharmaceuticals.
- Medical providers are not paid too much. They charge what it costs them to provide needed services.

**APPROACH THREE**

>> **Provide Coverage as a Right**

High costs mean that some Americans have to choose between eating and taking their medicine. In the wealthiest nation on Earth this is morally wrong and financially wasteful. The government should guarantee that all its citizens have access to good health care.



**What Should Be Done?**

- Provide health-care coverage to all as a public benefit.
- Budget what the nation will spend on health care each year.
- Use the negotiating power of the government to get reduced prices on prescription drugs and other medical materials.
- Ensure that all citizens have access to their choice of doctors and hospitals.

**Arguments in Favor**

- It's unconscionable that only those wealthy enough to afford it can have adequate health insurance.
- The current fragmented system is inefficient and wasteful.
- Most other nations provide health insurance for their citizens.

**Trade-Offs**

- This approach will result in more explicit rationing of health care. People with less serious conditions will need to wait while more urgent cases are handled.
- This approach will result in higher taxes to pay for health-care coverage.

**Opposing Voices**

- This calls for the federal government to take over the health insurance industry for all Americans and that will send taxes through the roof.
- The government will create penalties for "bad" health-related behavior.
- This will lead to yet more bureaucracy.
- Public confidence in the federal government is extremely low.