

Fact sheet on the Supreme Court decision

Court upholds the constitutionality of the health law

SUMMARY

- Although the Court has ruled the plan is constitutional, it will not work to remedy the health crisis (see details, below). Single payer is the only constitutional option for **truly universal** coverage.
- Instead of eliminating the root of the problem -- the profit-driven, private health insurance industry -- this legislation hands them \$557 billion in taxpayer money through 2020. **The total windfall to private insurers from the ACA, including tax subsidies, consumers' share of premiums, and overhead and profits from Medicaid managed care plans, is well over \$1 trillion, according to a Bloomberg Government study. Insurers will keep about \$174 billion - \$22 billion a year – for profit and administrative costs.** ([Bloomberg News, 5/14/12](#)). This money will enhance their financial and political power, and with it their ability to block future reform.
- As noted by President Obama, “Unless you have a what’s called a single-payer system in which everybody is automatically covered, then you’re probably not going to reach every single individual.” In other words, single payer is the only way to actually achieve truly universal coverage ([White House press conference, July 22, 2009](#)).
- Based on the evidence, we call for immediate Congressional passage of single-payer national health insurance, improved Medicare for All, based on its potential to eliminate financial barriers to care, improve efficiency, and control costs.

ACCESS

- The ACA will **cover less than half of the uninsured** even when fully implemented, leaving 26 to 27 million people uninsured in 2019, according to the [Congressional Budget Office](#).
- As a result, at that date an estimated **26,000 people will die every year** due to lack of health insurance, on top of an incalculable toll of suffering (updated from [Harvard study](#)).
- **“Unaffordable underinsurance”** will become the new norm as millions of middle-income people are required to buy **unaffordable, skimpy health insurance policies that will consume up to 9.5 percent of family income** but leave patients unable to access care due to high deductibles, co-pays, co-insurance, and other out-of-pocket costs.
- Nearly half (48 percent) of families with **chronic conditions** with high deductible health plans report **financial burdens related to medical costs** ([Galbraith et al, Health Affairs, 2/11](#)).
- People with employer-based coverage will continue to lack meaningful choices, instead being **locked into their plan's limited network of providers**, facing ever-rising costs and continuing erosion of their health benefits. Already nearly [one-third of large employers](#) are offering high deductible health plans.
- In 2010, **75 million working age adults went without necessary care due to costs**, 73 million reported having trouble paying bills or were in medical debt, and a quarter of those with chronic conditions skipped care due to cost ([The Commonwealth Fund, 3/11](#)).

COSTS

- **Costs will continue to skyrocket** because the law contains no effective cost-control measures. The cost of employer sponsored health coverage has more than doubled since 2000 and now averages \$15,073 for family coverage ([Employer Health Benefits Annual Survey, 2011, Kaiser](#)).
- This year **U.S. health spending will top U.S. health spending will top \$2.8 trillion, \$8,936 per capita, 17.6 percent of GDP**, “crowding out” spending by government, business, and families on other needed goods and services.
- **30 million Americans were contacted by collection agents for unpaid medical bills** in 2010, up from 22 million in 2005, according to [The Commonwealth Fund](#).
- **PPACA will not reduce medical bankruptcy**. In Massachusetts, the model for the federal reform law, [most of the new coverage is bare-bones high-deductible health plans \(HDHP\)](#), which fails to protect families from financial ruin in the event of illness. According to research led by PNHP members, **the rate of medical bankruptcy in MA has not declined** since the reform was implemented ([Himmelstein, Thorne and Woolhandler, AJIM, 3/11](#)). Nationally, 78 percent of those bankrupted by illness or injury are insured at the start of their illness, including [60.3 percent who have private coverage](#).
- **PPACA will not increase efficiency**. Overhead and bureaucracy, which already consume 31 percent of every health care dollar, will continue to rise. [Most of the 18,000 new jobs created in Massachusetts](#) as a result of the reform law are devoted to administrative tasks (management, business and financial operations, office support, medical records, health information, etc.).

SAFETY NET AND WOMEN’S HEALTH

- The law will drain **about \$40 billion from Medicare payments** to safety-net hospitals, threatening the care of the tens of millions who will remain uninsured.
- **Women’s reproductive rights will be further eroded**, thanks to the [burdensome segregation of insurance funds](#) for abortion and for all other medical services.
- The much-vaunted insurance regulations -- e.g. community rating -- are riddled with loopholes, thanks to the central role that insurers played in crafting the legislation. Older people can be charged up to three times more than their younger counterparts, **and large companies with a predominantly female workforce can be charged higher gender-based rates at least until 2017**.

GOOD PROVISIONS COULD HAVE BEEN ENACTED ALONE

- The salutary measures are contained in this law, e.g. **additional funding for community health centers** and **allowing children up to age 26 to stay on a parent’s policy**, could have been enacted on a stand-alone basis.
- Similarly, the **expansion of Medicaid** -- a woefully underfunded program that provides substandard care for the poor -- could have been done separately, along with an increase in federal appropriations to upgrade its quality.

NEED FOR EVIDENCE-BASED REFORM: SINGLE-PAYER NATIONAL HEALTH INSURANCE

- This law’s design reflects political considerations, not sound health policy. As physicians, we cannot accept this inversion of priorities.
- We seek evidence-based remedies that will truly help our patients, not placebos.

- A genuine remedy is in plain sight. Sooner rather than later, our nation will have to adopt a single-payer national health insurance program, an improved Medicare for all. Only a single-payer plan can assure truly universal, comprehensive and affordable care to all.
- **By replacing the private insurers with a streamlined system of public financing**, our nation could **save \$400 billion annually in unnecessary, wasteful administrative costs**. That's enough to cover all the uninsured and to upgrade everyone else's coverage without having to increase overall U.S. health spending by one penny ([NEJM 2003, updated by study authors to 2011](#)).
- Moreover, only a single-payer system offers **effective tools for cost control like bulk purchasing, negotiated fees, global hospital budgeting and capital planning**.
- Polls show nearly [two-thirds of the public supports such an approach](#), and a recent survey shows [shows 59 percent of U.S. physicians support government action to establish national health insurance](#). All that is required to achieve it is the political will.
- For more information about single-payer health care reform, see www.pnhp.org.