How Medicare for All Will Equalize Healthcare for All United States Citizens

by Mia Dror and Hannah Tarmy

As the Covid pandemic comes to a close, many begin to question the US healthcare system, wondering if it is the best system to efficiently deal with a global health crisis. Right now, the US' healthcare system is composed of competing public, private, non-profit, and for-profit health insurers, however, recently, left-wing politicians have been advocating for Medicare for all. Also known as single-payer healthcare, individual health expenses would be eliminated in favor of government funded medical care.

To answer the question of whether the US would benefit from adopting single-payer healthcare, a retrospective, observational study by the economic and health departments at universities across the nation reveals that, compared to countries that have a single-payer healthcare system, the United States healthcare system ultimately led to mass failures of US hospitals, causing hundreds of thousands of excess Covid cases, hospitalizations, and mortalities. By scaling the US population to match that of Canada, this study found that because of their different healthcare systems, the United States has a 26% higher mortality rate than their neighbors to the north. Even though the US contains only 4% of the world's population, as of the beginning of 2021, the United States was responsible for 15% of Covid related deaths. In addition, the US had 2.9 million excess Covid cases and 200,000 extra hospitalizations. The data makes it clear that the US healthcare system, while saving many lives, is nowhere near as efficient or effective as it could be with a single-payer system.

Moreover, the US healthcare system does not only fail in the face of global crises; millions of low-income people and people of color are disproportionately harmed by US

healthcare. Just over 9% of the US population is uninsured, which accounts for 30 million people. In addition to that 9%, according to a KFF Health Care Debt Survey, 47% of American adults report having difficulty or some difficulty affording health insurance. Also, about 1 in 4 adults admit to having healthcare debt that is either overdue or too much for them to afford. These financial struggles are not only limited to uninsured individuals. 44% of insured adults worry about being able to afford basic healthcare before their deductible kicks in.

Furthermore, 60% of Black adults and 65% of Hispanic adults are much more likely to mention difficulty affording healthcare compared to only 39% of White adults, revealing the severity at which people of color are negatively impacted by the US system compared to their white counterparts. Single-payer healthcare eliminates the need for individual expenditures because the government would fund everyone's healthcare costs, ultimately equalizing the opportunity for healthcare for all people of the United States regardless of race or class.

In addition to helping low income afford healthcare costs, single-payer healthcare can also help low-income people in rural environments access quality healthcare. Right now, urban hospitals are often overfunded and left with a surplus, whereas rural hospitals are left in the dust and at the brink of closure. The National Rural Health Association (NRHA) warns that unless immediate action is taken, over 600 rural hospitals are at risk of closure in 2023. However, the implementation of a single-payer healthcare system could provide much-needed financial equity and stability to these vital healthcare facilities.

The importance of rural hospitals cannot be understated. Firstly, they play a vital role in meeting the healthcare needs of rural communities. NBC journalist McCausland notes that rural hospitals are often the primary healthcare providers for rural areas, as other facilities are scarce.

The closure of just one hospital can lead to a nearly 6% increase in mortality rates within the local population.

Secondly, rural hospitals are significant contributors to local economies. A journalist explains that rural hospitals are often their counties' largest employers. The NRHA estimates that over 200,000 local jobs would be lost if one at-risk hospital were to shut down. Moreover, the closure of a hospital creates a domino effect, stifling economic growth and discouraging new businesses from entering the community. This downward spiral makes recovery nearly impossible for affected rural areas.

One of the primary challenges faced by rural hospitals is the burden of high administrative overhead costs. Dealing with the billing requirements of dozens of insurance providers places an unnecessary strain on their resources. Luckily, under single-payer there are no insurance providers which allows administrative costs to be significantly reduced;Just Care estimated that Medicare for All—the US movement for single-payer healthcare—could save a staggering $600 billion annually in administrative costs alone.

Another significant issue affecting rural hospitals is the fee-for-service payment model currently prevalent in the US healthcare system. This payment model can be detrimental to rural hospitals because they often experience inconsistent patient flows. Without a steady stream of patients, rural hospitals often struggle to plan their finances, operating on slim margins that often lead to financial instability. However, single-payer allows for the implementation of global budgeting, meaning hospitals would be funded based on community needs and operating costs. Thus, hospitals would have a steady and reliable source of income, enabling them to continue serving their communities without fear of financial instability.

Critics of single-payer healthcare often highlight the potential for increased taxes as a reason against implementing a new system. A New York Times article supports their reservations, suggesting that financing Medicare for All could necessitate a new 32 percent payroll tax, in addition to existing rates. While tax implications are a valid concern, single-payer healthcare presents opportunities to address these new costs by increasing wages and ending premiums. Premiums have surged by 740 percent since 1984, becoming a significant expense for most Americans. Single-payer healthcare eliminates these premiums, directly benefiting lower-income individuals and alleviating the financial strain caused by healthcare costs.

Expenditures increase income inequality by 1.5 percentage points and keep millions of Americans in poverty. Single-payer healthcare can also positively impact wages by eliminating health insurance benefits in one's salary and allowing more liquid money to become available to be added to employee's wages. For every dollar not spent on health benefits, wages can increase by 83%. Consequently, low-income people benefit greatly, with projections indicating a potential income increase of 29 percent of their current salary, which addresses the issue of wage stagnation and the one of the root causes of rising inequality.