



Civitas Mock Legislature Background Paper

Health Care

1. Here are the key questions about health care:
 - a. Is health care a **right or a privilege**?
 - i. What is the difference between a right and a privilege?
 - b. Currently in the United States, we have a hybrid system, in which health care is in part a right and in part a privilege.
 - c. Who pays health care costs in the United States?
 - i. In part, the **federal government** does:
 1. **Medicare**, considerable coverage for citizens who are 65 years of age and older.
 - a. **Caveat**: To be eligible, an individual or his/her spouse must have worked at least 10 years, paying into Social Security / Medicare.
 2. **Medicaid**, government program to provide coverage for low-income people (\$855/month for an individual; \$1,151 for a couple). Federal government pays 90%; states pay 10%. Some states, such as Missouri, limit who can receive Medicaid benefits.

Medicaid can also provide some benefits to individuals with disabilities.

ii. **Employers:**

1. Many people receive health care benefits as part of their agreement with their employers. Businesses enter into contracts with health care insurers such as Anthem Blue Cross to cover their employees. Benefits vary widely by company and in many cases, employees pay part of the premium.

iii. **Individuals and families**

1. Some individuals and families who do not receive health insurance through an employer or government program purchase their own health insurance.
2. Some cannot afford health insurance premiums but have access to some health care through the Affordable Care Act (aka Obamacare).
3. Even with insurance, many have “out of pocket” expenses for health insurance. These include:
 - a. Co-payments
 - b. Deductibles
 - c. Premiums

d. How do **other countries** do it?

- i. The United States is one of several dozen industrialized democracies. It is the only one that does not have a guaranteed health care system for its citizens. Most western European countries as well as Australia, Japan and others have what is known as a **SINGLE-PAYER SYSTEM** or **MEDICARE-FOR-ALL**. Here’s how it works:

1. The national government essentially pays for all health care expenses. They pay doctors’ bills, hospital bills,

out-patient bills, pharmaceuticals, etc.

2. The money uses taxes to pay for the health care expenses.
3. You may think that the financial cost is exorbitant. The data says that it not true. A few important facts:
 - a. The United States, which does not have MEDICARE-FOR-ALL spends far more per person on health care than any other industrialized democracy.
 - b. It is true that taxes will go up for individuals, families and businesses to provide the government with the needed revenue to run the program.
 - c. **But this does not mean that it will cost individuals, families or businesses more. In fact, it will cost them less. Here's why:**
 - i. Businesses will be relieved of the expenses of providing health care benefits to employees. By doing this, they can (a) lower the prices of their good, and (b) have more money to pay higher salaries and wages to employees.
 - ii. Individuals and families will no longer have to pay health insurance premiums, expenses that can run as high as \$1,000 per month.
 - iii. Individuals and families will no longer have "out-of-pocket" expenses to doctors, hospitals, clinics, pharmacies.
 - iv. Individuals and families will no longer have to pay deductibles or co-pays.

v. Look at it this way.

Current System	Increase in Cost	Decrease in Cost
Taxes	Plus \$8,000	
Insurance Premiums		Minus \$8,000
Out-of-Pocket-Expenses		Minus \$1,500
Co-Pays		Minus \$500
Deductibles		Minus \$500
Pharmaceuticals		Minus \$1,000
TOTAL:	Plus \$8,000	Minus \$11,500

