

A Look at Single Payer Systems Around the World

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Every year we hear that America's health care system is on the brink of disaster, and that American citizens have the right to quality health care regardless of what part of the country they live in, their health status or their income. We are assured that in countries around the world, citizens are assured of access to quality health care through programs run by their national governments.

Is health care a right? Even in countries with national health care, there is no real right to health care in the true sense of the word, if that right would obligate the government to provide any particular service. In Canada, for example, people have no right to an MRI, no right to heart surgery, no right to have a set place in line for these services. Patients may wait for months or even years for treatment, and their place in line can and is often bumped by someone else for any number of reasons.

Waiting times aside, once people are able to get service, do they get equal care? In Great Britain a recent study put out by The Good Hospital Guide showed that the hospitals with the best performance were located in or near the wealthiest sections of the city. The worst hospitals were located in east London, in the most economically depressed area of the city. Different outcomes were also seen in urban or metropolitan areas vs. rural areas.

Of course, there are also disparities in access to health care in the United States. People of with higher incomes and educational status as a group enjoy better health status than those of lower income and educational status. Approximately 15.2 percent of the United States population lacks private health insurance and is not enrolled in public health programs. For years, some proponents of national health care both from Europe and within this country have asserted that poor people in the United States get no care because they cannot afford it.

The real truth is that almost all of the elderly in America are enrolled in Medicare, through which they are entitled to virtually all the United States health care system has to offer. Further, Medicaid, designed to serve those who are indigent, now spends more than Medicare and those who enroll in it seek care use at rates comparable to those with private insurance. The Veterans Administration provides another safety net. And every state has a system of public hospitals and clinics that provide medical services to low income individuals without insurance. Federal law requires emergency rooms to take all comers, regardless of ability to pay, and state and federal laws also require many hospitals to provide charity care. Those institutions that provide a disproportionate share of care to uninsured and Medicaid patients receive federal and state funds to offset their losses. Through these avenues, the poor often have access to the most advanced technology and therapies, without the rationing and waiting inherent in countries with national health care systems.

Proponents of a single-payer health system argue that such a plan would provide all citizens with high-quality comprehensive health coverage. In reality, single-payer

systems deny care to those who need it most. Statistics from countries that have implemented single-payer systems underscore this point.

- More than 1.3 million Canadians (out of a total population of 26 million) are waiting for medical services, and the latest survey data indicates that 212,990 Canadian patients are waiting for surgical procedures. *Source: National Center for Policy Analysis (NCPA) and Fraser Institute.*
- On any given day, one million people in Britain are on a waiting list for in-patient hospital admission. *Source: Capitalism Magazine*
- 45% of Canadians who are waiting for services describe themselves as “in pain.” *Source: Statistics Canada.*
- Canadian patients wait an average of 6 weeks after referral from a primary care physician to see a specialist, and then wait another 7.3 weeks on average before they receive treatment. Total waiting time has jumped 43% since 1993. *Source: Fraser Institute.*
- Kaiser-Permanente HMO in the United States and Britain’s National Health Service (NHS) have similar resources, but the Kaiser plan offers better care more quickly. The difference is explained by better management, better use of integrated systems, greater investment in technology, and free-market competition. *Source: Institute for Global Health at the University of California*
- In Britain, the government rations access to prescription drugs with a lottery based on a consumer’s zip code. The “lucky” zip code can change at any time, often on the basis of political expediency rather than medical necessity. *Source: Capitalism Magazine*
- One in five British physicians knows someone who has been harmed by delays in receiving treatment. Approximately two-thirds of Canadian and Australian physicians sampled -- and more than three-quarters of British and New Zealand doctors -- believe delays are a problem. In contrast, when surveyed, only seven percent of American physicians say delayed treatment is a problem. *Source: NCPA*

Another danger of single-payer systems is that they tend to delay covering the latest medical technology, often at the expense of patients.

- Studies show that during the 1970s, heart patients in the United States received needed pacemakers four times more frequently than British patients, and 20 times more often than Canadian patients. U.S. patients were able to receive needed CAT scans three times more frequently than Canadian patients, and six times more frequently than British patients during the same time period. *Source: NCPA.*
- When compared with Canada, on a per capita basis, the U.S. has 10 times as many MRI units, 11 times as many cardiac catheterization units, and three times as many open-heart surgery units. *Source: NCPA.*

- On a per person basis, the U.S. has three times as many CAT scanners, and three times as many lithotripsy units (which destroy kidney stones and gallstones). *Source: NCPA.*
- “With regard to access to high-tech machinery, Canada performs dismally by comparison with other OECD countries. While ranking number one as a health care spender [among OECD countries with publicly funded universal health care systems], Canada ranks 18th in access to MRIs, 17th in access to CT scanners, [and] eighth in access to radiation machines.” *Source: Fraser Institute*

Under single-payer plans, doctors and other health care providers are also often short-changed.

Consider some of these facts about some single-payer health care systems, and their treatment of health care providers.

- In Canada and in Britain, doctors see approximately 40 percent more patients annually than doctors in the U.S. *Source: NCPA*
- On average, doctors in Canada and Germany earn about half what their U.S. counterparts do. In Austria, France and Britain it's less than one-third, and in Finland, Norway and Sweden just one-fourth. *Source: NCPA*
- In Canada, compensation for doctors has not increased significantly since 1983. *Source: Business Week.*
- In Alberta, Canada, obstetricians are subject to a \$185 cap on delivery fees. *Source: Business Week.*
- For Canadian physicians, net income after expenses, but before taxes, is on average 40-50% less than their gross income. *Source: Wall Street Journal.*
- In 1995, 30 of 95 individuals who received a degree in family medicine from the University of Toronto moved to the U.S. *Source: Wall Street Journal.*
- It is estimated that 2,000 Canadian health care providers, including approximately 500 doctors, emigrate to the U.S. each year. *Source: Wall Street Journal.*
- A recent survey of all 36,000 general practitioners in Britain asked them if they would be prepared to resign from the National Health Service. There was a 66 percent response rate and 86 percent voted in favor of resignation. *Source: British Medical Association*
- One in four British physicians claims to be seriously considering leaving private practice. *Source: British Medical Journal*

Advocates of single-payer plans often claim that implementing such a system would drastically reduce administrative costs. However, when calculating administrative savings, these advocates have failed to take into account the many hidden costs associated with a single-payer health system. Examples of hidden costs include:

- Extra costs because of increased doctor visits. For example, in Quebec, following the introduction of universal health insurance, office visits rose by 32%. *Source: Health Affairs.*
- Extra costs due to service delays. People who are waiting to receive medical treatment often experience decreased productivity. Furthermore, patients who are forced to wait for medical treatment often experience health status deterioration, driving up their overall treatment costs. *Source: Health Affairs*
- Income-loss for family members. Family members who have to serve as caregivers for those experiencing service delays also shoulder the cost-burden. *Source: Health Affairs.*
- Under single-payer plans, health care savings are not achieved through increased efficiency, but instead are achieved through service denials.
- Despite its single-payer system, Canada has been no more successful in reducing health care costs than the U.S. From 1967-1987, real increases in health care spending per capita were almost identical between the two countries, with Canadian spending rising at a slightly faster rate. (Canada—4.58% increase; U.S.—4.38% increase).
- In Britain, a recent study documents some of the wasteful spending and fraud associated with the National Health Service. According to the report, between \$1.4 billion to \$4.3 billion pounds are lost annually through fraud such as patients falsely claiming free prescriptions and dentists charging for treatment not carried out. Furthermore, almost \$3 billion pounds annually are lost because of "bed blocking" by elderly people who do not need acute care but cannot be discharged because they have nowhere to go. Almost \$3 billion pounds annually go to sick pay and agency nurses-- 40 percent of the sickness being caused by back injuries to nurses who tried to lift patients incorrectly. Finally, just under \$1.5 billion pounds are spent annually to treat hospital-acquired infections. *Source: Sunday Time*

We can learn an important lesson from the experience of other countries with national health care. This documented experience shows that under a single payer health care system, Americans would most likely receive less health care, and that what they would receive would be of lower quality. The answer to today's health care problems is not in more government bureaucracy or more governmental control over our health care system. Instead we need to look for innovative ways to limit the role of government and extend greater choice and responsibility to individuals in meeting our health care needs.

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