Universal Coverage Is Not "Single Payer" Healthcare

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It's easy – often politically expedient – to lump universal health coverage (UHC) and "Single Payer" together, but they are not the same thing.

Here in the U.S., one big reason for the confusion is that we're the only (industrialized) country that doesn't have UHC. What we have here in the U.S. is called SHC – selective health coverage.

While other countries debate (and then implement) different funding mechanisms, they all start with UHC – which is less about how healthcare is funded and focuses more on who has access to healthcare.

Another reason for the confusion (intentional or otherwise) is that by definition, a single payer system is universal coverage. The reverse, however, is not true. There are several different ways (other than single payer) to fund UHC.

The lack of UHC here in the U.S. has 3 profound effects.

1. The U.S. is the only country where medical expenses are a contributing (if not leading) cause of personal bankruptcies

2. The U.S. is the only country where employer provided healthcare coverage often plays into employment decisions

3. The U.S. is the only country where (according to The Commonwealth Fund this last April – here) there are now 84 million non-elderly Americans that are either uninsured – or underinsured

That 84 million is roughly 1/3 of the non-elderly U.S. population.

All of the other industrialized countries signed up to UHC decades ago. The First Global Symposium on Health System Research (November, 2010 – here) had this summary:

"Out of 194 countries in the analysis, 75 countries had legislation that provided a mandate for UHC. Of these, a further 58 met access, quality, and outcome criteria for UHC in the years 2006-2008"

The U.S. was not one of the 58 countries.

Defining UHC can also be problematic, but the Global Symposium captured two reasonably good ones:

1. Healthcare legislation explicitly states that the entire population is covered under a specified health plan, including a specific package of services is available and [the] identifiable year (and such legislative text can be identified online).

2. The country's population access to skilled attendance at birth and healthcare insurance (including social health insurance, state coverage, private health insurance, and employer based insurance based on the International Labor Organization data) must be greater than 90%, which serve as broader proxy indicators for access to care, using the latest data available and based on the ILO threshold.

An economist (Praveen Ghanta) put together this chart (here):

List of Countries With Universal Healthcare Coverage

Country	Year of UHC Adoption	System Type
Norway	1912	Single Payer
New Zealand	1938	Two Tier
Japan	1938	Single Payer
Germany	1941	Insurance Mandate
Belgium	1945	Insurance Mandate
United Kingdom	1948	Single Payer
Kuwait	1950	Single Payer
Sweden	1955	Single Payer
Bahrain	1957	Single Payer
Bruenei	1958	Single Payer
Canada	1966	Single Payer
Netherlands	1966	Two Tier
Austria	1967	Insurance Mandate
United Arab Emirates	1971	Single Payer
Finland	1972	Single Payer
Slovenia	1972	Single Payer
Denmark	1973	Two Tier
Luxembourg	1973	Insurance Mandate
France	1974	Two Tier
Australia	1975	Two Tier
Ireland	1977	Two Tier
Italy	1978	Single Payer
Portugal	1979	Single Payer
Cyprus	1980	Single Payer
Greece	1983	Insurance Mandate
Spain	1986	Single Payer
South Korea	1988	Insurance Mandate
Iceland	1990	Single Payer
Hong Kong	1993	Two Tier
Singapore	1993	Two Tier
Switzerland	1994	Insurance Mandate
Israel	1995	Two Tier

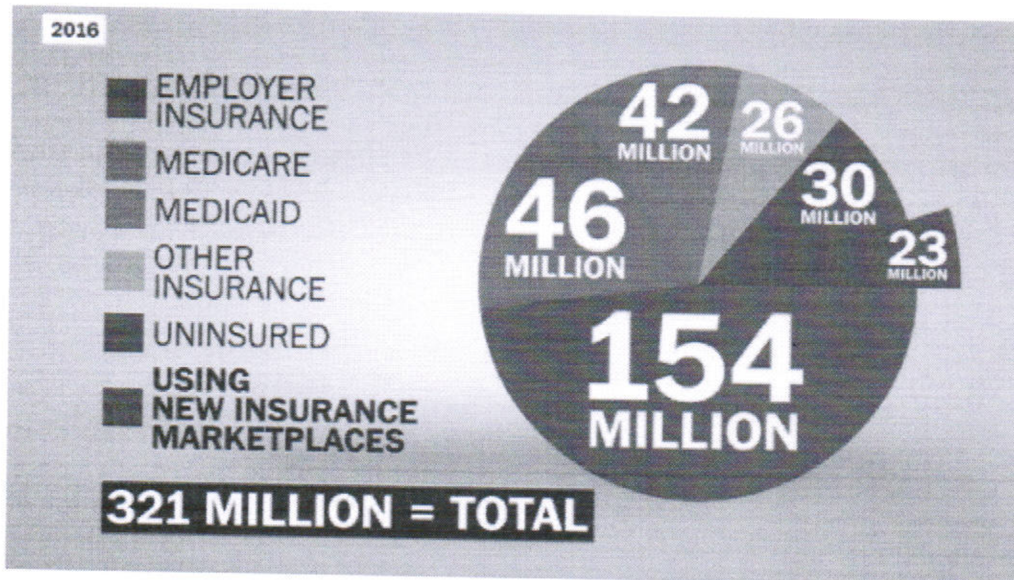
Mr. Ghanta provided some fairly concise definitions for the different system types:

Single Payer: *The government provides insurance for all residents (or citizens) and pays all health care expenses except for copays and coinsurance. Providers may be public, private, or a combination of both.*

Two-Tier: *The government provides or mandates catastrophic or minimum insurance coverage for all residents (or citizens) while allowing the purchase of additional voluntary insurance or fee-for service care when desired. In Singapore all residents receive a catastrophic policy from the government coupled with a health savings account that they use to pay for routine care. In other countries like Ireland and Israel, the government provides a core policy which the majority of the population supplement with private insurance.*

Insurance Mandate: *The government mandates that all citizens purchase insurance, whether from private, public, or non-profit insurers. In some cases the insurer list is quite restrictive, while in others a healthy private market for insurance is simply regulated and standardized by the government. In this kind of system insurers are barred from rejecting sick individuals and individuals are required to purchase insurance, in order to prevent typical health care market failures from arising.*

Earlier this fall, Sarah Kliff over at the Washington Post put together a 2 minute video (here) to "explain" Obamacare. It included this summary forecast as a rough approximation of U.S. selective health coverage under the ACA by 2016:



Two of the figures worth noting are 30 million uninsured and 321 million total. For all of the intensity and rhetoric around our collective debate on who gets what coverage, we're still going to wind up with 30 million uninsured in 2016.

The 321 million total number is interesting for a different reason. It ties directly to the $3.2 trillion that Deloitte calculated in their "Hidden Costs of Healthcare" report (here). The easy calculation is that we're already spending over $10,000 per capita per year on healthcare. That's not just a staggering per capita amount, we all know that it's not producing results that are remotely competitive with other industrialized countries.

Costs and spending may not be the most important healthcare debate – but it seems like it should be the first debate. For every $1,000 we lower per capita healthcare spending we'd have another $320 billion more to spend on getting to UHC.

Why we avoid the cost debate is well known and can be summarized in two sentences.

"How many businesses do you know that want to cut their revenue in half? That's why the healthcare system won't change the healthcare system." **Rick**

Scott – Governor of Florida (as quoted by Vinod Khosla) – Rock Health Innovation Summit – August (video here)

Whatever debate we chose first, the fact remains that universal coverage isn't single payer and debating coverage without debating cost seems destined to fail. Protecting all of the entrenched interests around costs is why we avoid the cost debate, of course, but debating coverage without cost seems a lot like rearranging deck chairs while the band played on.