

Posted on Sun, Jul. 16, 2006

Single payer not only way for universal healthcare

By Steven Hill
COMMENTARY

A NEW REPORT from the Citizens' Health Care Working Group established by Congress has concluded that the federal government should guarantee basic and universal healthcare to all Americans.

Many proponents, as well as opponents, of healthcare reform equate universal coverage with a Canadian-style, government-run, single payer system. But a survey of successful healthcare systems around the world shows this is an incorrect assumption.

For example, the World Health Organization rates France as having the number one healthcare system in the world. France's system covers everyone, i.e. it is universal. It also is noted for its short waiting periods, affordability, freedom of physician choice, doctors who still make house calls, exemplary gynecological care, quality healthcare for immigrants and the poor, all while spending about half what Americans pay to fund a healthcare system ranked 37th in the world.

Yet France does not have a single payer system, nor does it have what is commonly referred to as government-run, socialized medicine.

Neither does Germany, Japan, Austria, Belgium and the Netherlands, yet they also provide universal coverage and quality healthcare at a fraction of what we pay in the United States.

How do these nonsingle payer nations provide such excellent care? These nations employ a system that blends a flexible mixture of public and private, with most doctors, nurses and other professionals working for private medical groups, not for the government as in the Canadian or British-style single payer systems.

Many hospitals also are in private hands, while others are in public hands.

The funding for healthcare in these nations is best described as a "shared responsibility" -- employees, employers and the government all contribute a pre-determined amount. Both workers and their employers are subject to mandatory payroll deductions, and government chips in any shortfalls for poorer individuals, depending on income level or employment status.

The contributions from individuals, employers and government are deposited into private insurance funds that are nonprofit and government-regulated (sometimes known as Sickness Insurance Funds, or SIFs).

Additional private insurance can be purchased for premium services, such as a private room in the hospital.

But here's the key part: the SIFs sit down at the bargaining table with the government and representatives from professional associations of doctors and healthcare professionals to set exact fee structures.

They negotiate strict cost controls that have prevented expenditures paid by consumers from approaching anywhere near exorbitant U.S. levels.

Cost controls are essential to the success of these "shared responsibility" systems.

The knock against a Canadian-style single payer system is that it leads to long waiting periods for legitimate medical procedures. But research indicates that the "shared responsibility" nations have shorter wait periods for such procedures and better quality of care than either the United States or single payer nations such as Britain, Canada and Sweden.

Many Brits take a train through the Chunnel to access quicker treatment in Belgium and France than they can receive at home.

One young Swede who works in Brussels told me her healthcare in Belgium was much better than single payer healthcare in Sweden, where her grandmother had to wait 18 months for a hip replacement surgery.

Interestingly, the efficient healthcare system of the French, Germans and Belgians shares many similarities with the recent bipartisan healthcare legislation passed in Massachusetts that mandates a "shared responsibility" between employees, employers and the government.

But the key difference is that the Massachusetts plan does not include cost controls, which understandably are difficult to enact on a state level.

Without cost controls, individuals will be saddled with mandatory monthly premiums that potentially have no ceiling. Over time, the Massachusetts government could easily face a dilemma of either sticking the taxpayers with footing the bill for escalating medical costs or scaling back the universal coverage.

The evidence is clear that cost controls are extremely important to any successful healthcare system. And the experiences of the public-private hybrid systems in France, Germany, Belgium, Japan and elsewhere show that it is possible to have your cake and eat it too.

This is not to say that these countries' healthcare systems are not facing stresses too, including rising costs, but they have the built-in flexibility with their public-private hybrids to cope with it.

The take-home lesson for healthcare reformers is that it is important to expand the debate and recognize that universal health coverage does not mean single payer.

"Shared responsibility" plans can get the job done, but cost controls are fundamental to the success of any plan.

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