



Paying for Improved Medicare for All

No One Uninsured or Underinsured!

Frank Puig, former Deputy Commissioner, NYS DSS
Latino Leadership Institute, Silberman School of Social Work at Hunter College
January 19, 2019

Developed Countries With Universal Health Care:

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

Note: Western European countries highlighted in yellow.

Note:

Of the 33 countries considered “developed” only one is absent from the list, the **United States!**

WHY?

What some other countries say about universal health care:

From About-France.com

“People in France, who have lived with their national health service system for all or most of their lives, and know first hand how well it works, have been very perplexed by the passions aroused in the United States by Obamacare. Even the most conservative forces in French life support the national health service and have difficulty understanding why some people in the USA imagine that an obligatory health insurance scheme for all could be a bad thing.”

From “History of England’s National Health Service”¹

“The emergence of a view that health care was a right, not something bestowed erratically by charity.”

From “The Danish Health Care System”²

“Universal access to health care is the underlying principle inscribed in Denmark’s Health Law, which sets out the government’s obligation to promote population health and prevent and treat illness, suffering, and functional limitations. Other core principles include ensuring: a high quality of care; easy and equal access to care; service integration; choice; transparency; access to information; and short waiting times for care.”.....“Health care is financed mainly through a national health tax, set at 8 percent of taxable income.”

¹ Geoffrey Rivett, “The Medical and Institutional History of the National Health Service”, www.nhshistory.com

² International Health Care System Profiles, The Commonwealth Fund

LOVE IT!
IMPROVE IT!
**MEDICARE
FOR ALL**
National Nurses United



**70% of Americans
support
Medicare-For-All**

June & July 2018 Reuters/Ipsos Poll

HR 676

The Expanded & Improved
Medicare for All Act



Universal: Extends *improved* Medicare to every person in the U.S.

Comprehensive: Inpatient, outpatient, ER, Rx, mental, dental, vision, hearing, rehab, chiropractic, podiatry, devices, prenatal & longterm care.

Simple & Cost-Effective: Say goodbye to maze of predatory, for-profit health insurance, and all premiums, deductibles, co-pays & medical bills.

Freedom & Choice: Go to nearly any doctor or hospital in the U.S. Coverage follows you when you move, change jobs, retire, etc.

Good for Business: Gets insurance burden and cost off backs of businesses. Frees entrepreneurs from job lock.

Big Savings for 95% of Americans: 3% to 6% payroll tax (on employer side) **replaces** all premiums and out-of-pocket costs.

Sources: "HR 676: The Expanded and Improved Medicare for All Act" (congress.gov) and
"What You Need to Know About the Bill for Improved Medicare for All," Margaret Flowers, June 15, 2017 (HealthOverProfit.org)
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95% Of Americans Get **BIG Savings** With Medicare-For-All (HR 676)

Income Group	Avg Household Income	% Change in After-Tax Income	Approx SAVINGS	Approx Higher Cost
BOTTOM 95%	\$25,720	+18%	\$4,600	N/A
	\$57,350	+12%	\$6,900	N/A
	\$87,730	+9%	\$7,900	N/A
	\$128,440	+7%	\$9,000	N/A
	\$216,920	+3%	\$6,500	N/A
TOP 5%	\$462,950	- 8%	N/A	\$37,000
	\$2,994,820	- 14%	N/A	\$419,000

% change reflects difference between share of income spent on healthcare now and share under the progressive taxes proposed under H.R. 676, which replace the current regressive funding system.



From Bernie Sanders' *“Options To Finance Medicare For All”*

“In 2016, employers paid an average of \$12,865 in private health insurance premiums for a worker with a family of four who makes \$50,000.” Under proposed option (a 7.5% payroll tax) it would be \$3,750, a savings of over \$9,000 a year.

That same family instead of paying an average of \$5,277 in premiums towards their health insurance would pay a 4% payroll tax after taking their standard deduction, or \$844, a savings of over \$4,400.

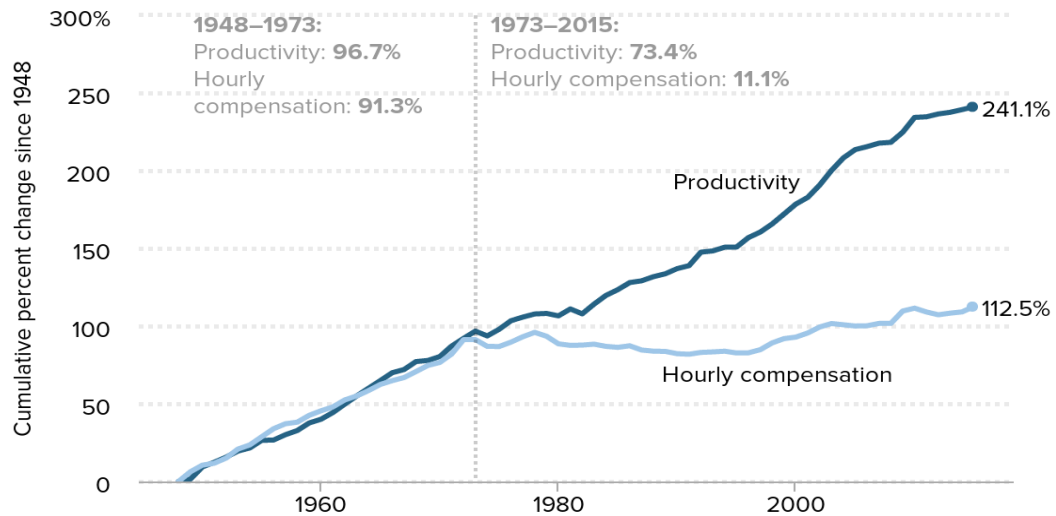
Takeaway # 1

For “Improved Medicare for All” to be enacted there has to first be a broad-based non-partisan red/blue core understanding that the economic gains of the last 40 years have overwhelming gone to the very top income and wealth strata of our society and that shared prosperity has been a fiction.

The underappreciated and undercompensated American worker!

The gap between productivity and a typical worker's compensation has increased dramatically since 1973

Productivity growth and hourly compensation growth, 1948–2015

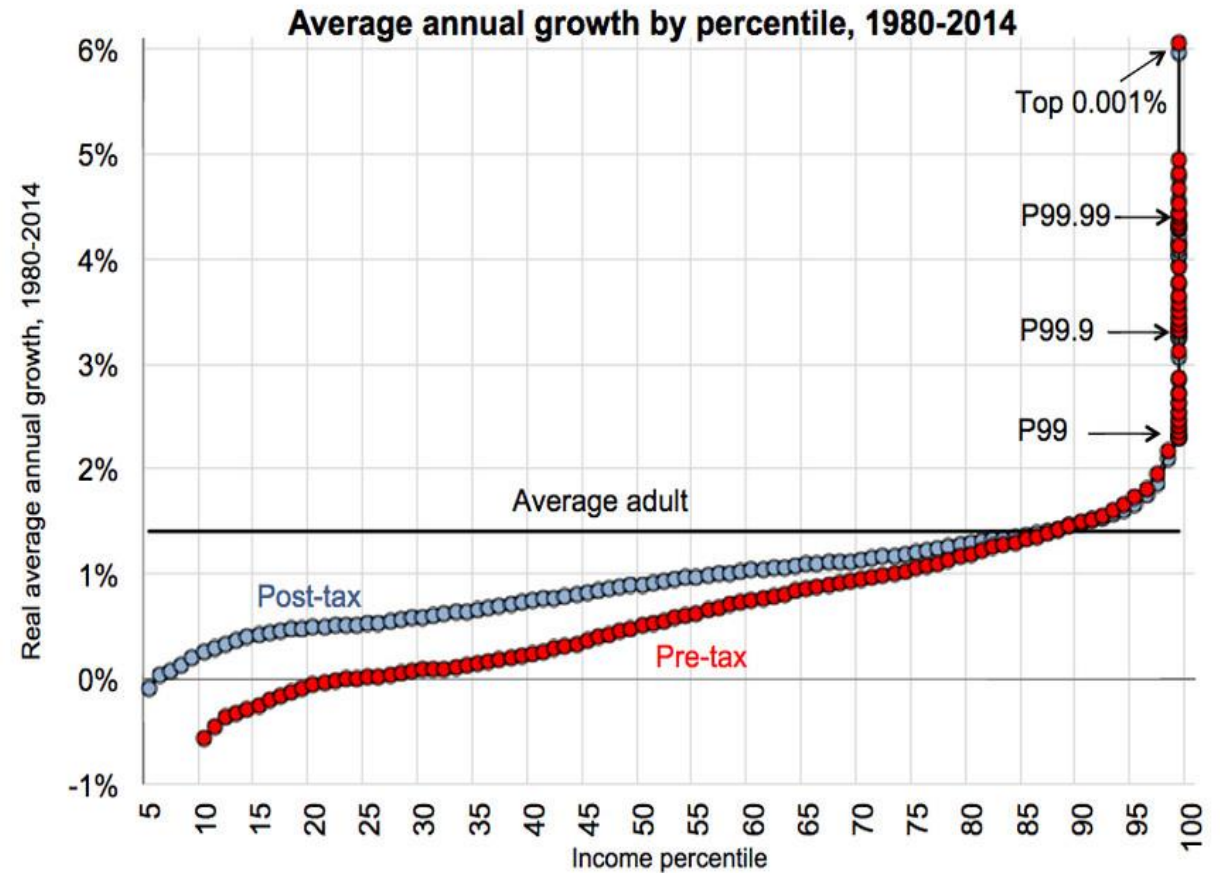


Note: Data are for average hourly compensation of production/nonsupervisory workers in the private sector and net productivity of the total economy. “Net productivity” is the growth of output of goods and services minus depreciation per hour worked.

Source: EPI analysis of data from the Bureau of Economic Analysis (BEA) and the Bureau of Labor Statistics (BLS) (see the technical appendix of Bivens and Mishel 2015 for more detailed information)

Economic Policy Institute

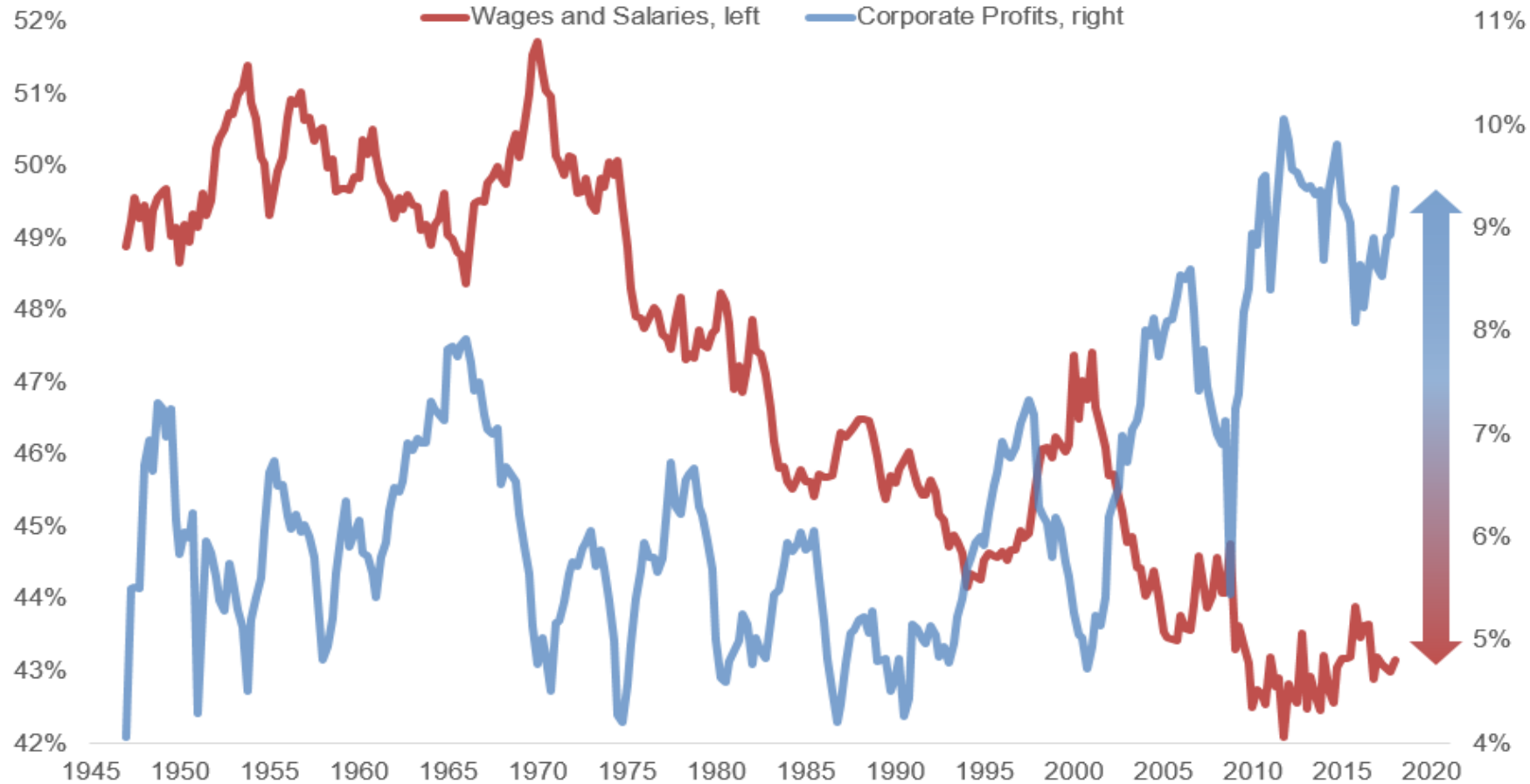
Figure 2: The distribution of economic growth in the United States



From Vox, “You’re not imagining it: the rich really are hoarding economic growth”, Charts: EPI Analysis of BEA & BLS Stats

Wages Falling Since 1970, Profits Rising Since 1986

Percent of GDP



Source: St. Louis Federal Reserve

www.dentresearch.com

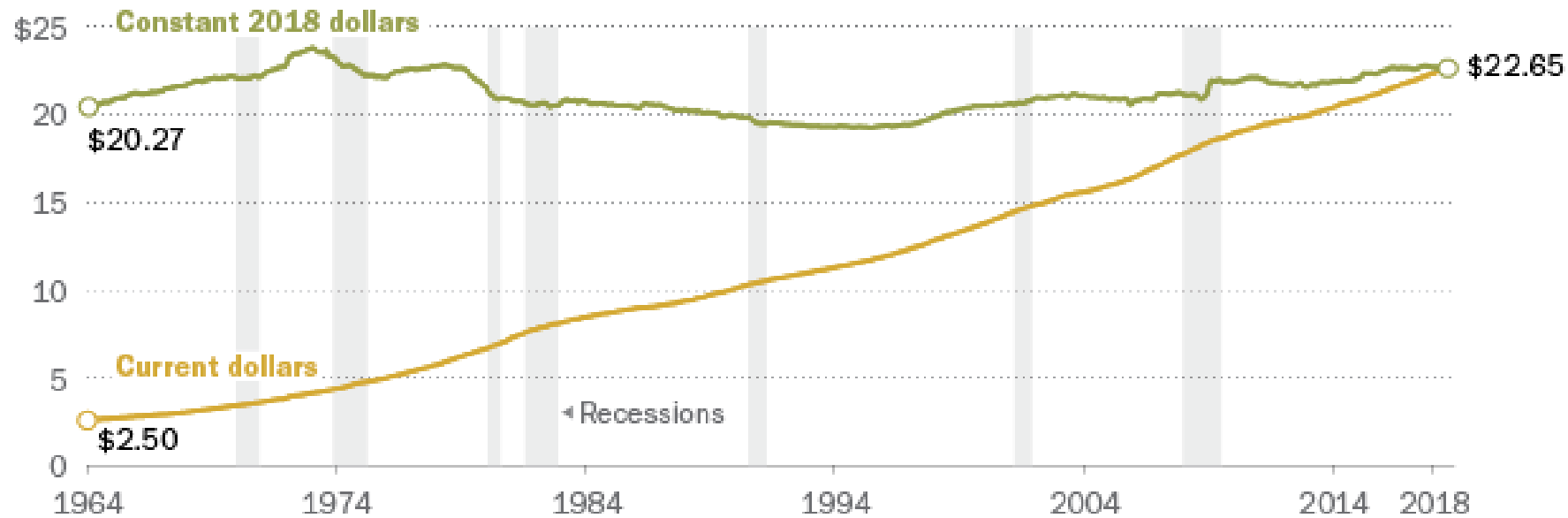
From the article:

“So, wages go down 29% since 1970, and corporate profits go up 141% since 1986. How do you like them apples?”

“Corporate Profits Are Crushing Wages and the Tax Cuts Aren’t Helping”, Economy & Markets, June 12, 2018

Americans' paychecks are bigger than 40 years ago, but their purchasing power has hardly budged

Average hourly wages in the U.S., seasonally adjusted



Note: Data for wages of production and non-supervisory employees on private non-farm payrolls. "Constant 2018 dollars" describes wages adjusted for inflation. "Current dollars" describes wages reported in the value of the currency when received. "Purchasing power" refers to the amount of goods or services that can be bought per unit of currency.

Source: U.S. Bureau of Labor Statistics.

PEW RESEARCH CENTER

For most U.S. workers, real wages have barely budged in decades", August 7, 2018, Pew Research Center

Minimum wage increases over the years and their equivalent in 2018 \$'s

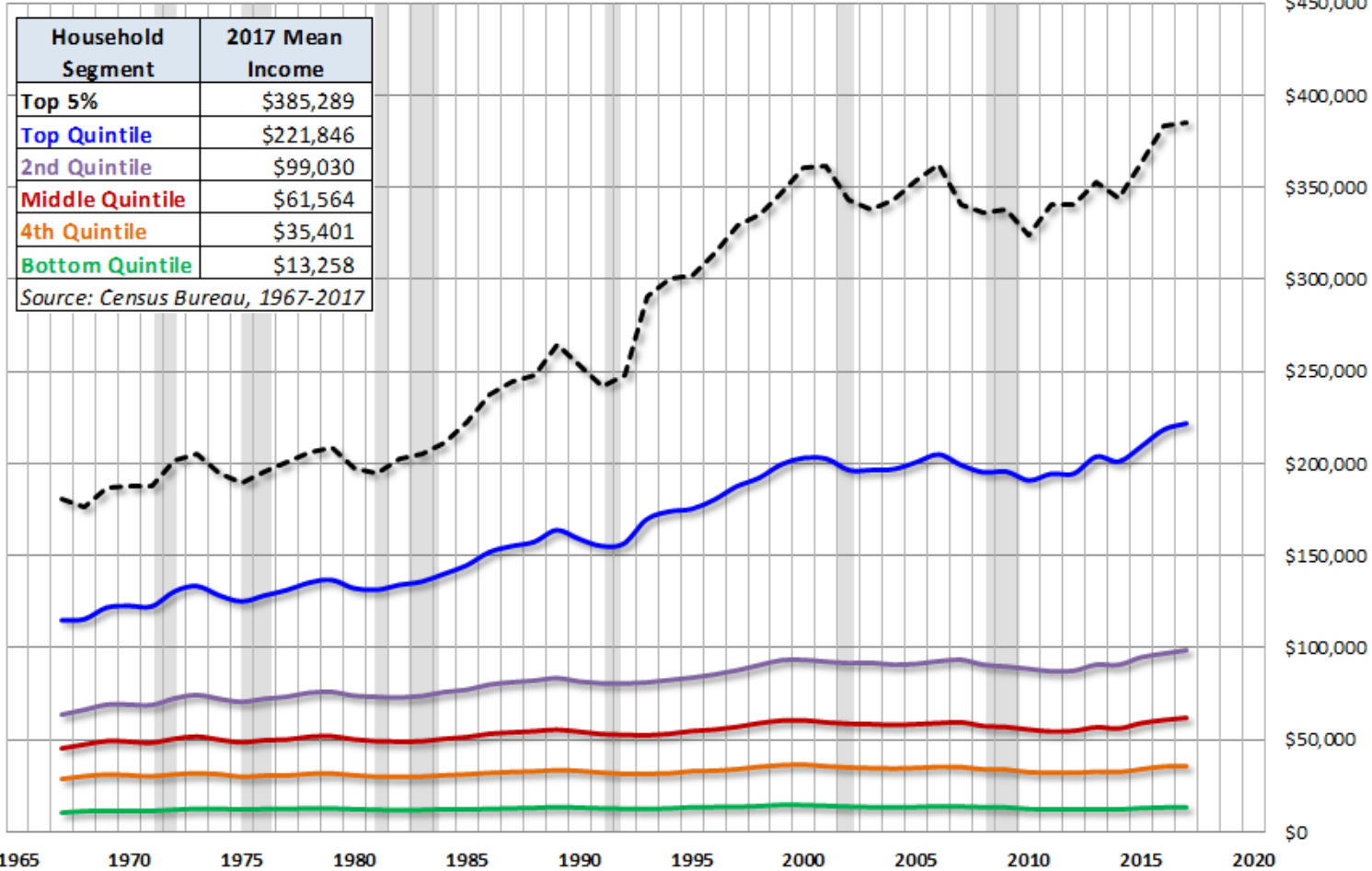
Year	Min Wage/hr	In 2018 \$'s	Year	Min Wage/hr	In 2018 \$'s
1938	\$0.25	\$4.28	1978	\$2.65	\$10.52
1939	\$0.30	\$5.28	1979	\$2.90	\$10.56
1945	\$0.40	\$5.54	1980	\$3.10	\$9.96
1950	\$0.75	\$7.83	1981	\$3.35	\$9.57
1956	\$1.00	\$9.20	1990	\$3.80	\$7.43
1961	\$1.16	\$9.60	1991	\$4.25	\$7.83
1963	\$1.25	\$10.14	1996	\$4.75	\$7.63
1967	\$1.40	\$10.49	1997	\$5.15	\$8.01
1968	\$1.60	\$11.64	2007	\$5.85	\$7.15
1974	\$2.00	\$10.64	2008	\$6.55	\$7.69
1975	\$2.10	\$9.97	2009	\$7.25	\$8.50
1976	\$2.30	\$10.22	2019	???	???

Note:

Min wage peaked in purchasing power in **1968**

Real (Inflation-Adjusted) Average Household Income By Quintile and Top 5 Percent in Current Dollars

With Recessions Highlighted



“Note in particular the growing spread between the top quintile (and especially the top 5%) and the other four quintiles. The growth spread began in the mid-1980s during the Reagan administration, the era of Supply Side Economics (aka "Reaganomics" and Trickle-Down Economics). As this chart illustrates, tax and other policy changes to benefit the wealthier households didn't have the heavily promoted trickle-down effect.”

Table H-2. Share of Aggregate Income Received by Each Fifth and Top 5 Percent of Households, All Races: 1967 to 2017

(Households as of March of the following year)

Year	Number (thousand s)	Shares of aggregate income					
		Lowest fifth	Second fifth	Third fifth	Fourth fifth	Highest fifth	Top 5 percent
2017	127,586	3.1	8.2	14.3	23.0	51.5	22.3
2010 (37)	119,927	3.3	8.5	14.6	23.4	50.3	21.3
2009 (36)	117,538	3.4	8.6	14.6	23.2	50.3	21.7
2008	117,181	3.4	8.6	14.7	23.3	50.0	21.5
2007	116,783	3.4	8.7	14.8	23.4	49.7	21.2
2006	116,011	3.4	8.6	14.5	22.9	50.5	22.3
2005	114,384	3.4	8.6	14.6	23.0	50.4	22.2
2004 (35)	113,343	3.4	8.7	14.7	23.2	50.1	21.8
2003	112,000	3.4	8.7	14.8	23.4	49.8	21.4
2002	111,278	3.5	8.8	14.8	23.3	49.7	21.7
2001	109,297	3.5	8.7	14.6	23.0	50.1	22.4
2000 (30)	108,209	3.6	8.9	14.8	23.0	49.8	22.1
1990	94,312	3.8	9.6	15.9	24.0	46.6	18.5
1989	93,347	3.8	9.5	15.8	24.0	46.8	18.9
1988	92,830	3.8	9.6	16.0	24.2	46.3	18.3
1987 (21)	91,124	3.8	9.6	16.1	24.3	46.2	18.2
1986	89,479	3.8	9.7	16.2	24.3	46.1	18.0
1985 (20)	88,458	3.9	9.8	16.2	24.4	45.6	17.6
1984	86,789	4.0	9.9	16.3	24.6	45.2	17.1
1983 (19)	85,407	4.0	9.9	16.4	24.6	45.1	17.0
1982	83,918	4.0	10.0	16.5	24.5	45.0	17.0
1981	83,527	4.1	10.1	16.7	24.8	44.3	16.5
1980	82,368	4.2	10.2	16.8	24.7	44.1	16.5
1979 (18)	80,776	4.1	10.2	16.8	24.6	44.2	16.9
1978	77,330	4.2	10.2	16.8	24.7	44.1	16.8
1977	76,030	4.2	10.2	16.9	24.7	44.0	16.8
1976 (17)	74,142	4.3	10.3	17.0	24.7	43.7	16.6

Light brown highlighted Years are:

Reagan Tax Cuts:

- 1981 Economic Recovery Tax Act
- 1986 Tax Reform Act

Bush Tax Cuts:

- 2001 Economic Growth & Tax Relief Reconciliation Act
- 2003 Jobs & Growth Tax Relief Reconciliation Act

Data Source: U.S. Census Bureau Historical Income Tables: Households

**The Most Successful Play in the Political Playbook
or
The Three-Card Monte of American Politics**

#1

Cut Corporate Tax Rates* to “Grow the Economy” (Spur Corporate Investment) In Order To “Grow Jobs.” The “Scheme”, I Mean Rationale, Is That The Cuts Will More Than Be Offset By The Increased Income Tax Revenue and Taxes On Higher Corporate Profits That Will Be Generated By The Cuts.

#2

#1 Doesn't Work Out. Tax Receipts Much Less Than Promised. One Reason Among Others, Corporate Profits Used For Stock Buybacks Instead Of Investment. Federal Deficit Grows. We're Spending Too Much!

#3

We've got To Reduce The Size Of Government. “Entitlements”, i.e. Social Security, Medicare, Medicaid Are The Main Problem.

The Trump “Tax Cuts & Jobs Act” – December 2017

Early Assessment:

The Brookings Institution – “The new law will reduce federal revenues by significant amounts....make the distribution of after-tax income more unequal....and, if not financed with concurrent spending cuts or other tax increases, it will raise federal debt and impose burdens on future generations....it will end up making most households worse off than if it had not been enacted.” ¹

My translation of the above Brookings Institution’s findings:

The overwhelming majority of American households have been screwed ²
..... again!

¹ “The Effects of the Tax Cuts & Jobs Act: A Preliminary Analysis”, Brookings Institute, June 14, 2018

² “screwed” defined as “in very bad trouble or difficulty.” Cambridge Dictionary

THE HEADLINES ARE IN!

THE #GOPTAXSCAM ISN'T WORKING

Newsweek SIGN IN SUBSCRIBE

U.S.

TRUMP'S TAX CUTS DIDN'T BENEFIT U.S. WORKERS, MADE RICH COMPANIES RICHER, ANALYSIS FINDS

BY NICOLE GOODKIND ON 4/10/18 AT 4:46 PM

SPLINTER

LABOR

After Trump's Tax Cuts, Companies Eliminated More Jobs Than They Created

 Sophie Weiner
11/13/18 7:05pm

Forbes

4,277 views | Dec 8, 2018, 12:28 pm

Trump's Tax Cuts Haven't Spiked Job Growth

Chuck Jones Contributor

Markets

I cover technology companies, worldwide economics and the stock market

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The Republican Voodoo Tax Cuts Are Not Delivering

That includes votes.

BY CHARLES P. PIERCE NOV 13, 2018

Opinion **The New York Times**

Why Was Trump's Tax Cut a Fizzle?

 By Paul Krugman
Opinion Columnist

The G.O.P.'s only legislative achievement has been a big disappointment.

Opinion: The tax cut isn't trickling down to workers

By Andy Green and Galen Hendricks
Published: Dec 3, 2018 2:05 p.m. ET

SHARE COMMENTS


Aa

The Tax Cuts and Jobs Act isn't just wasteful, it's harming the economy and workers

The Washington Post
Democracy Dies in Darkness

Opinions

The Republican tax cut is a big, fat failure

 By Catherine Rampell
Columnist
October 22

The Republican tax cut is a big, fat failure.

CHICAGO SUN-TIMES
The Hardest-Working Paper in America

* LETTERS TO THE EDITOR

10/23/2018, 01:11pm

GOP tax cut didn't 'pay for itself,' just made the rich even richer

Bloomberg Subscribe

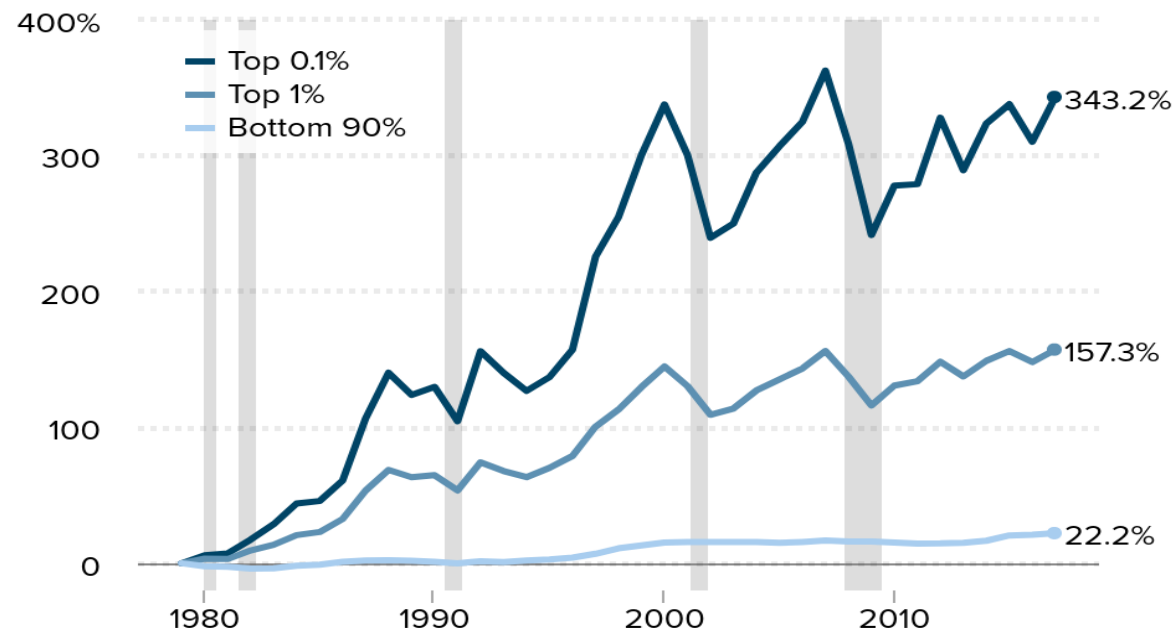
Politics

Trump's Tax Promise of Trillions Back to U.S. Fails to Materialize

By Laura Davison
December 6, 2018, 11:56 AM EST

The upward march of inequality is firmly reestablishing itself

Cumulative percent change in real annual earnings, by earnings group, 1979–2017



Source: Adapted from Figure A in Lawrence Mishel and Julia Wolfe, “**Top 1 Percent Reaches Highest Wages Ever—Up 157 Percent Since 1979**,” *Working Economics* (Economic Policy Institute blog), October 18, 2018. Shaded areas denote recessions.

2017 Average annual earnings of **top 1%** was **\$719,000**. For **top 0.1%** it was **\$2.7 million**.¹

Average annual earnings for **bottom 90%** in **2016** was **\$35,083**.²

¹“Wage growth accelerates for workers, but salaries for the 1% just reached a new high” – MarketWatch, November 4, 2018

²EPI “Working Economics Blog”, Mishel & Wolfe, October 31, 2017

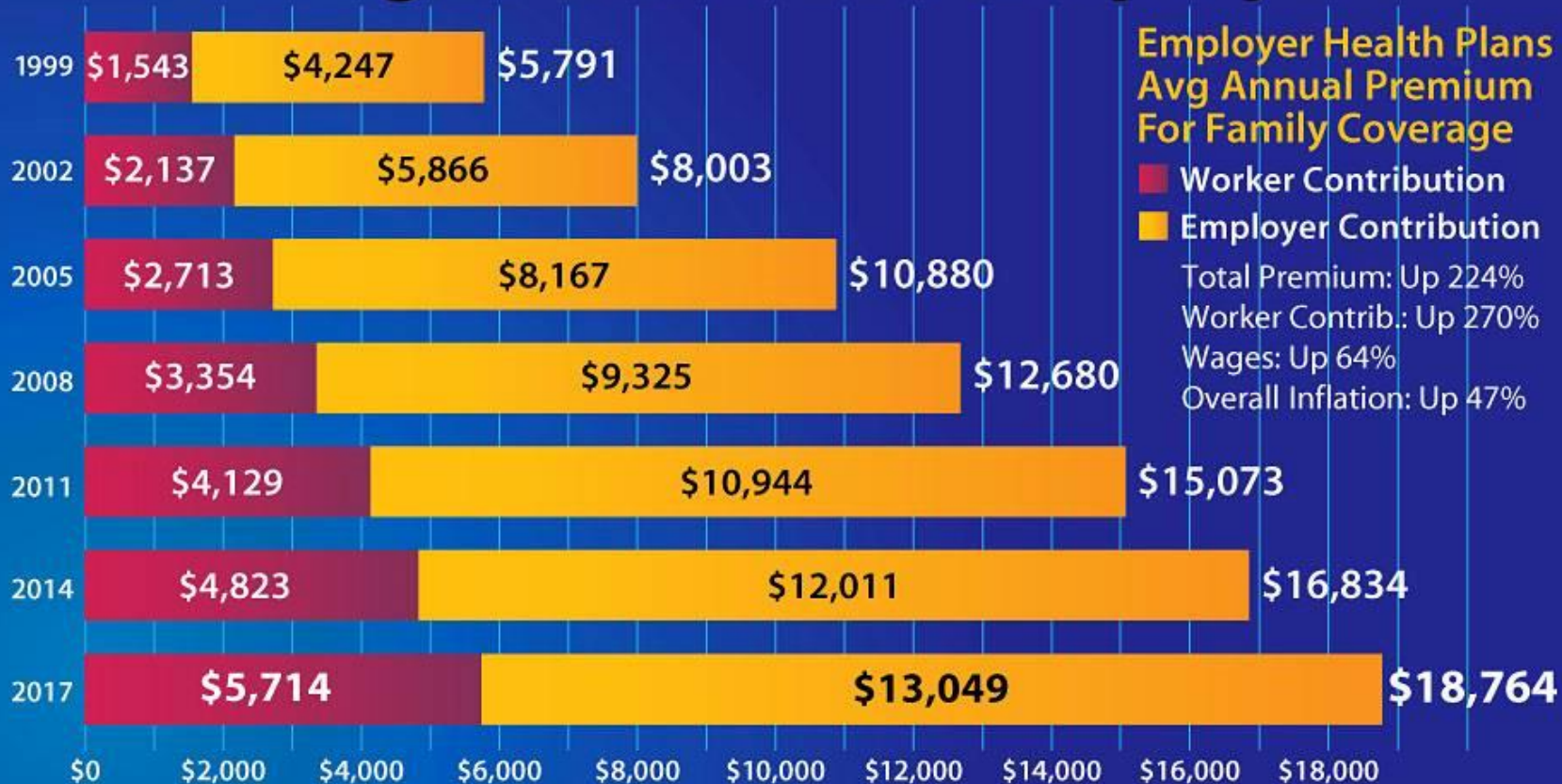
Takeaway # 2

Our healthcare non-system has been a major driver of our country's grotesque income and wealth inequality.

Following the Rules!

A 2010 RAND Corporation study found that, in the decade leading to 2009, 79% of average working family household income growth was absorbed by health care expenses, while only 21% was available for other purposes.

Runaway Health Premiums Eat Away At Wages & Burden Employers

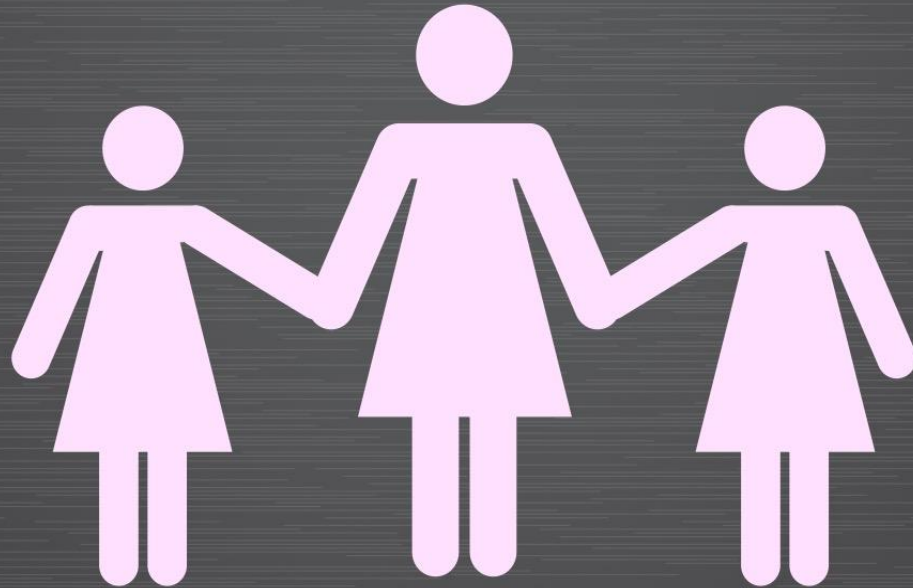


Source: Kaiser/HRET (Health Research & Educational Trust) Employer Health Benefits Survey, Sept 19, 2017 (kff.org); Employer Health Premiums grew 6.7%/yr avg compounded 1999-2017

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SINGLE MOM EARNING \$38,000 PER YEAR

Deductible + Obamacare premium =
\$4,300 per year | **11.4% of income**



FAMILY HEALTHCARE AVERAGE TOTAL COST... UNDER EMPLOYER SPONSORED PLAN

2002 **2014**

(\$9,235) **(\$23,239)**

COST OF HEALTHCARE
INCREASE
250%



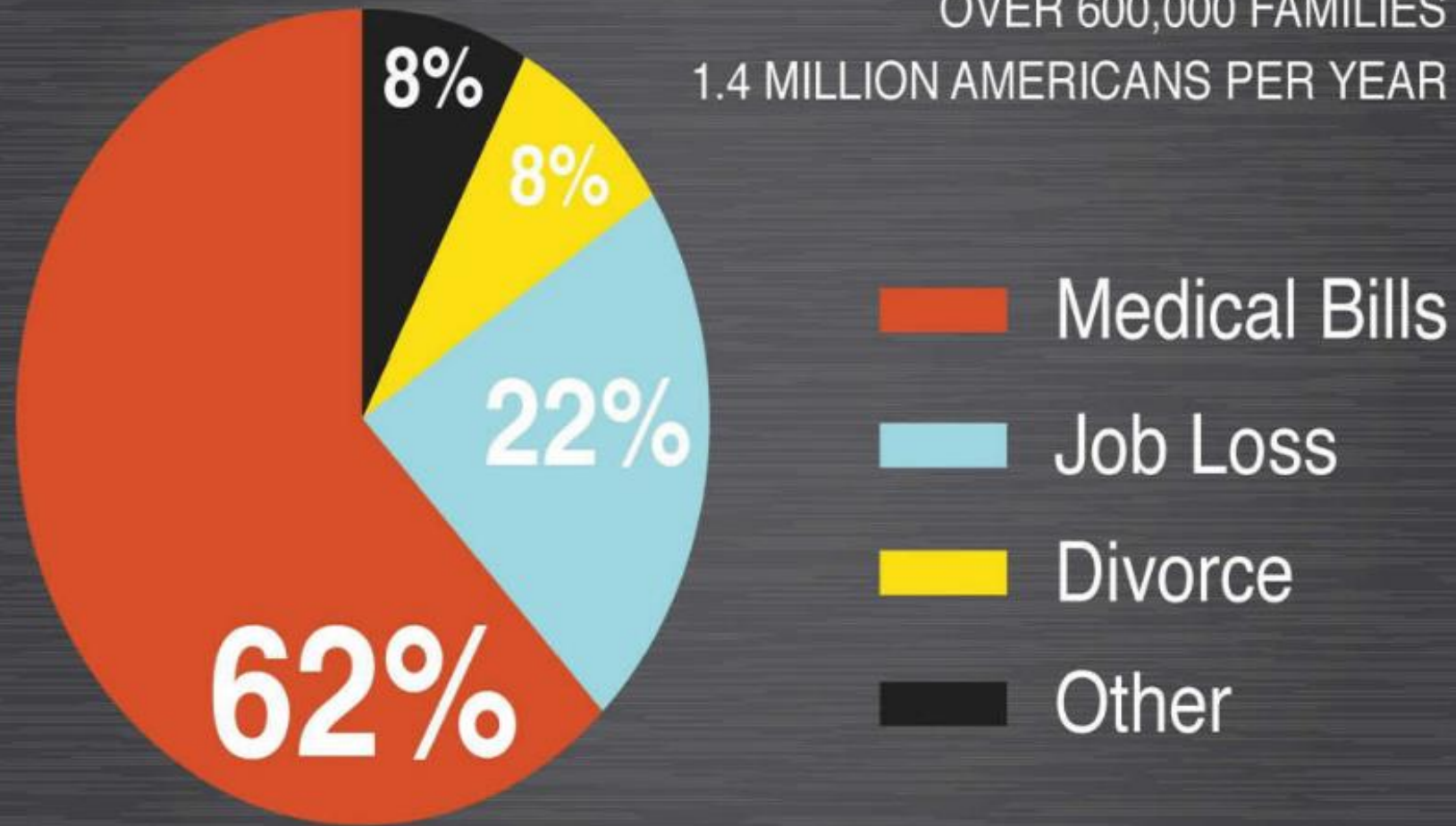
Milliam Medical Index

Increased 6.4% in 2015

U.S. HOUSEHOLD BANKRUPTCIES

OVER 600,000 FAMILIES

1.4 MILLION AMERICANS PER YEAR

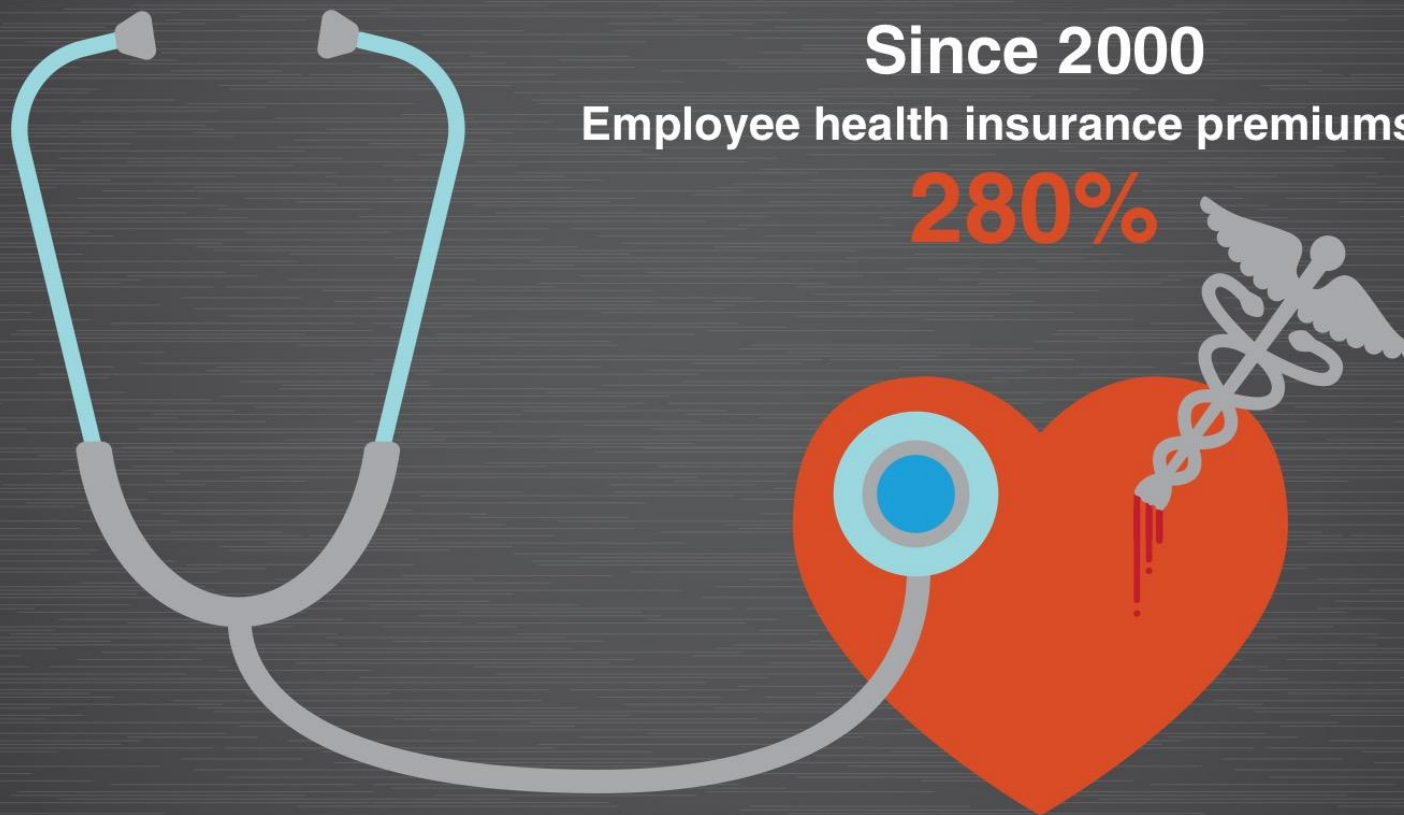


“Out of pocket healthcare costs pushed an additional
20 million lower income people into poverty.”

U.S. Census Bureau 2010 Population Reports.



PERCENT INCREASES IN HEALTH INSURANCE PREMIUMS

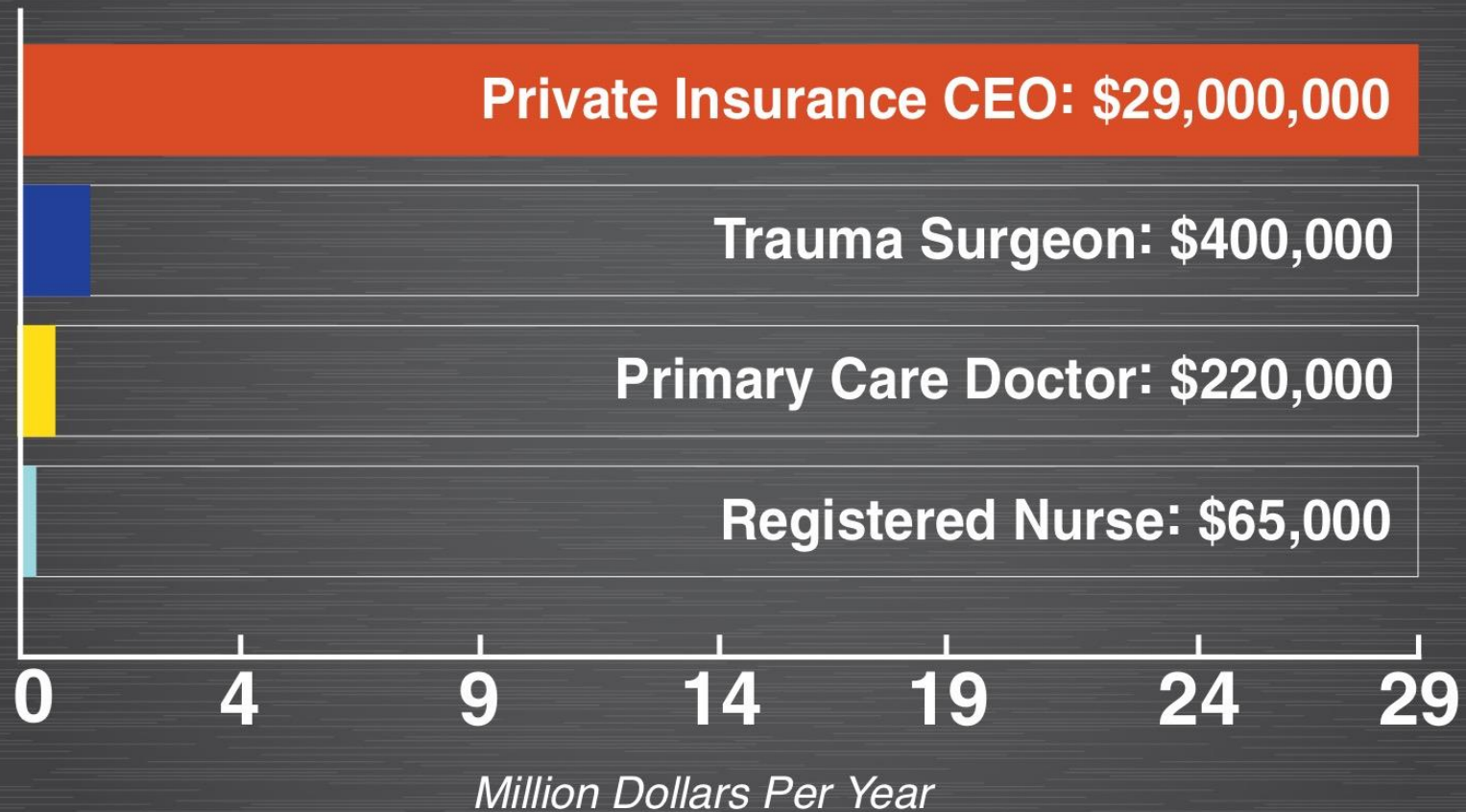


Since 2000

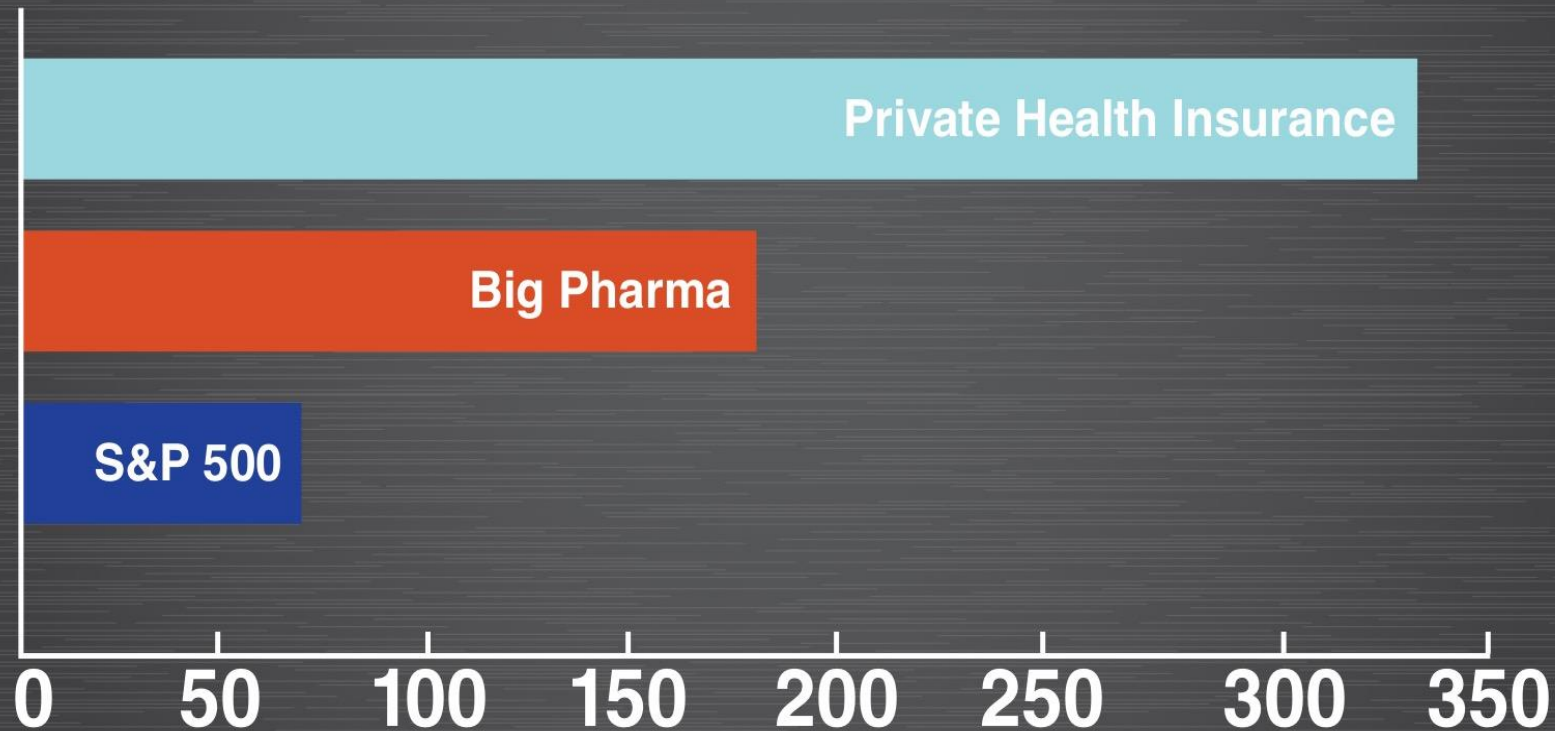
Employee health insurance premiums up

280%

HEALTHCARE SALARIES



STOCK PRICE GROWTH SINCE THE PASSAGE OF THE AFFORDABLE CARE ACT: 2010–2015



S&P Dow Jones Indices * – 10 Year Index Returns through Jan 04, 2019

U.S. Equity – DJ Sector & Industry

Annualized

Dow Jones U.S. Select Medical Equipment Total Return Index	18.48%
Dow Jones U.S. Semiconductors Total Return Index	17.98%
Dow Jones U.S. Select Health Care Providers Index	17.40%
Dow Jones U.S. Technology Total Return Index	17.31%
Dow Jones U.S. Select Aerospace & Defense Total Return Index	17.01%
Dow Jones U.S. Health Care Total Return Index	14.88%

* A Division of S&P Global



**BIG PHARMA JUST INCREASED
PRICES FOR OVER 1,000 DRUGS**

**AFTER SPENDING
\$216,134,421
LOBBYING IN 2018-**

**OUTSPENDING EVERY
OTHER INDUSTRY.**

Takeaway # 3

Far from being “exceptional”, the health outcomes of our “most expensive” healthcare non-system **stink** while leaving over 28 million Americans uninsured and 85 million Americans underinsured*!

**“underinsured-i.e. they are unable to adequately access needed health care because of prohibitively high costs.” – The “Economic Analysis of Medicare for All” – PERI (Political Economy Research Institute) 2018*

On average, other wealthy countries spend half as much per person on healthcare as in the U.S.

Total health expenditures per capita, U.S. dollars, PPP adjusted 2016

United States	\$10,348
Switzerland	\$7,919
Germany	\$5,551
Sweden	\$5,488
Netherlands	\$5,385
Austria	\$5,227
Comparable Country Average	\$5,198
Belgium	\$4,840
Canada	\$4,753
Australia	\$4,708
France	\$4,600
Japan	\$4,519
United Kingdom	\$4,192

From: "How do healthcare prices and use in the U.S. compare to other countries?", May 8, 2018, Peterson Kaiser Health System Tracker, Kaiser Family Foundation

Total Health Spending as Share of GDP for U.S. and 8 OECD Comparison Countries

Figures are for 2015

United States	17.2%
Italy	8.9%
Spain	9.0%
Australia	9.6%
United Kingdom	9.7%
Canada	10.3%
Japan	10.9%
France	11.0%
Germany	11.3%

So where is all this money going? Let's turn the page and discover one place.

Source: OECD. Health spending (indicator) (2015). <https://data.oecd.org/healthres/health-spending.htm>

Average prices of a sample of drugs: U.S. compared to the UK and Switzerland in 2014¹

Xarelto (blood clots), 30 capsules, 20 mg, 30 day supply

\$102	\$126	\$292
Switzerland	United Kingdom	United States

Humira (rheumatoid arthritis), 1 prefilled syringe carton, 2 syringes, 28 day supply

\$822	\$1362	\$2669
Switzerland	United Kingdom	United States

Tecfidera (multiple sclerosis), 60 capsules, 240 mg, 30 day supply

\$663	\$1855	\$5089
United Kingdom	Switzerland	United States

Avastin (cancers), 400 mg vial

\$470	\$1752	\$3930
United Kingdom	Switzerland	United States

Answer to question:

John Martin, former CEO of Gilead Sciences, maker of drugs for influenza, HIV, hepatitis B & C made **\$863 million** during **ACA** era from 2010-2016.²

¹ "How do healthcare prices and use in the U.S. compare with other countries", Kaiser Family Foundation, May 2018

² "The sky-high pay of health care CEOs", Axios, July 2017

From:


*“Mirror, Mirror 2017: International Comparison Reflects Flaws and Opportunities for Better U.S. Health Care” **

- *The U.S. ranked last place among the 11 countries for health outcomes, equity and quality, despite having the highest per capita health expenditures.*
- *The U.S. also had the highest rate of mortality amenable to healthcare, meaning more Americans die from poor care quality than any other country involved in the study.*
- *Poor access to primary care in the U.S. has contributed to inadequate chronic disease prevention and management, delayed diagnoses and safety concerns, among other issues.”*

* Source: Commonwealth Fund



United States
Switzerland
Sweden
France
Germany
Netherlands
Canada
United Kingdom
New Zealand
Norway
Australia



“The United States ranks 29th in infant mortality among the 35 OECD countries — only six countries have higher rates.”

Slovak Republic

Latvia

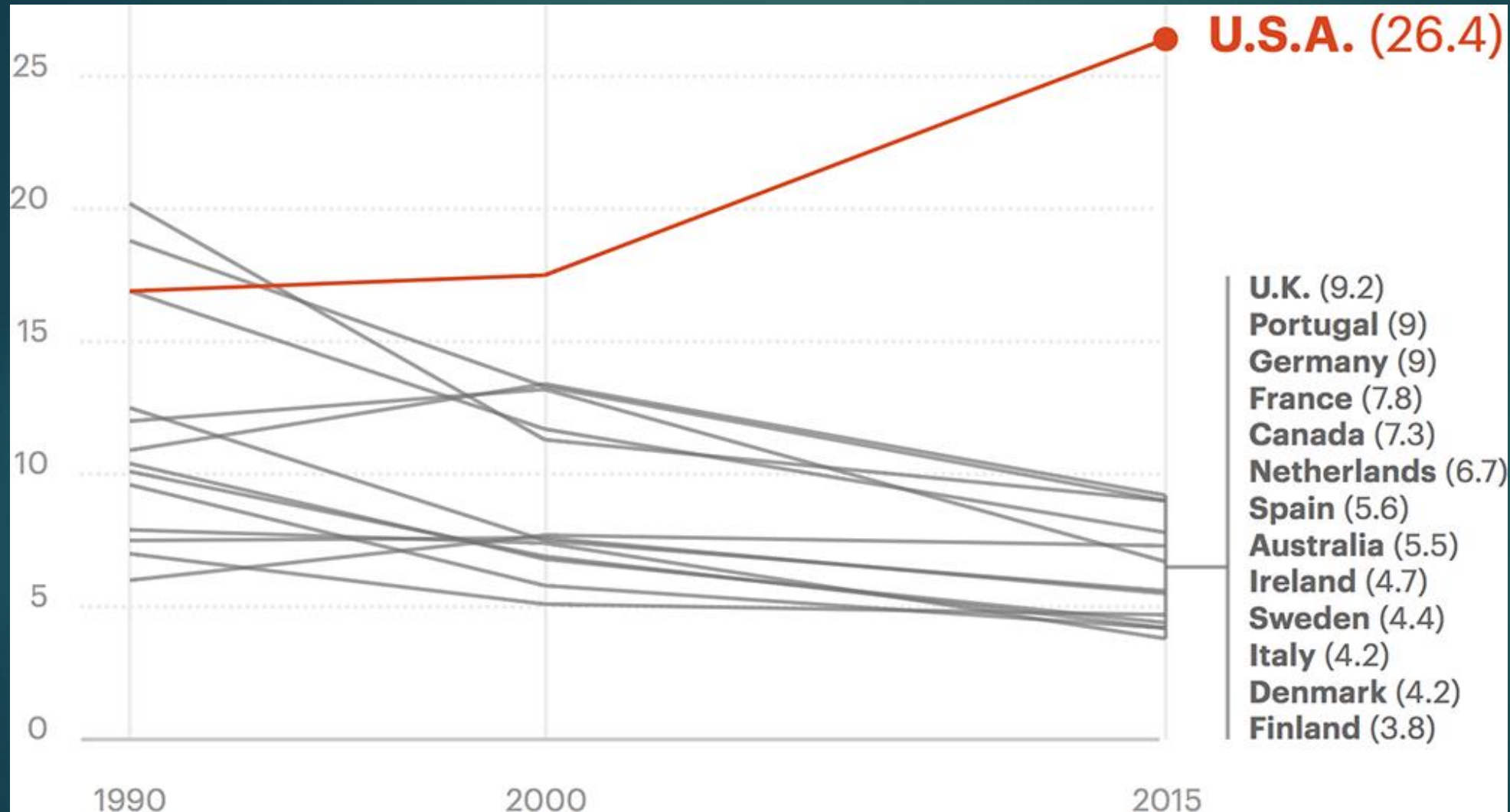
Chile

Mexico

Turkey

Korea

Maternal Mortality Is Rising In The U. S. As It Declines Elsewhere Deaths per 100,000 Live Births



"Global, regional, and national levels of maternal mortality, 1990–2015: a systematic analysis for the Global Burden of Disease Study 2015," *The Lancet*.

From “America’s Health Rankings”, 2017 Annual Report
United Health Foundation

The premature death rate has increased for the third straight year, along with **increases in rates of cardiovascular and drug deaths.**

PREMATURE DEATHS

+3%

Since 2015

DRUG DEATHS

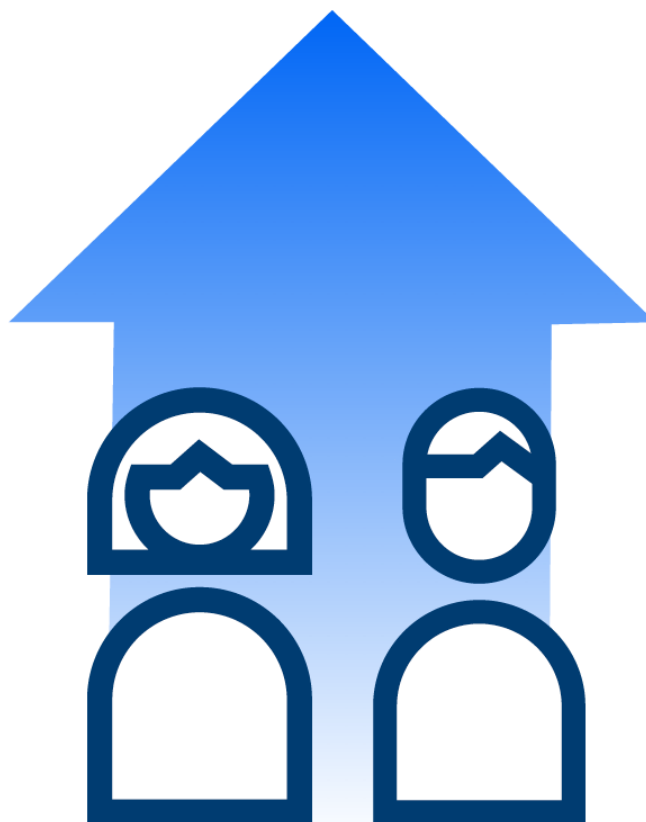
+7%

In the past year

CARDIOVASCULAR DEATHS

+2%

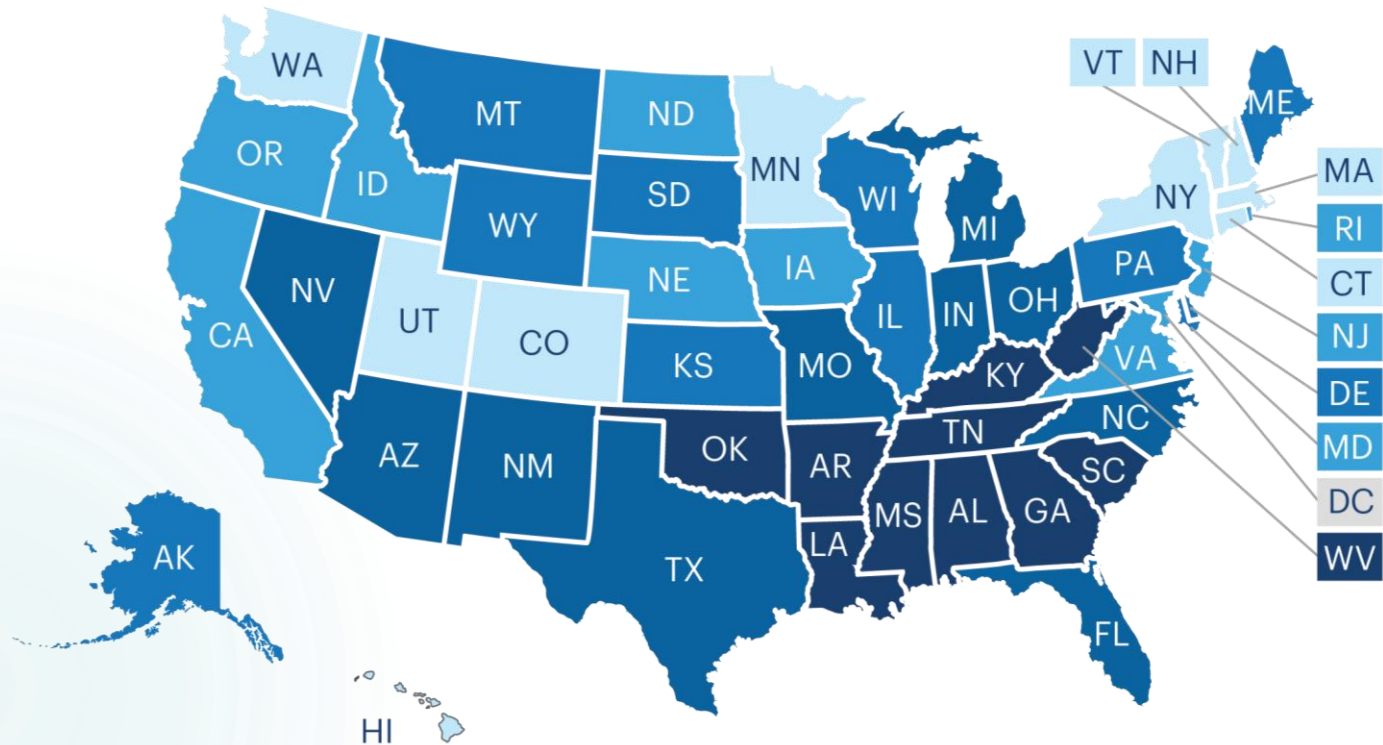
Since 2015



America’s Health Rankings® was built upon the World Health Organization’s definition of health:

“Health is a state of complete physical, mental, and social well-being and not merely the absence of disease or infirmity.”

2017 Annual Report State Rankings



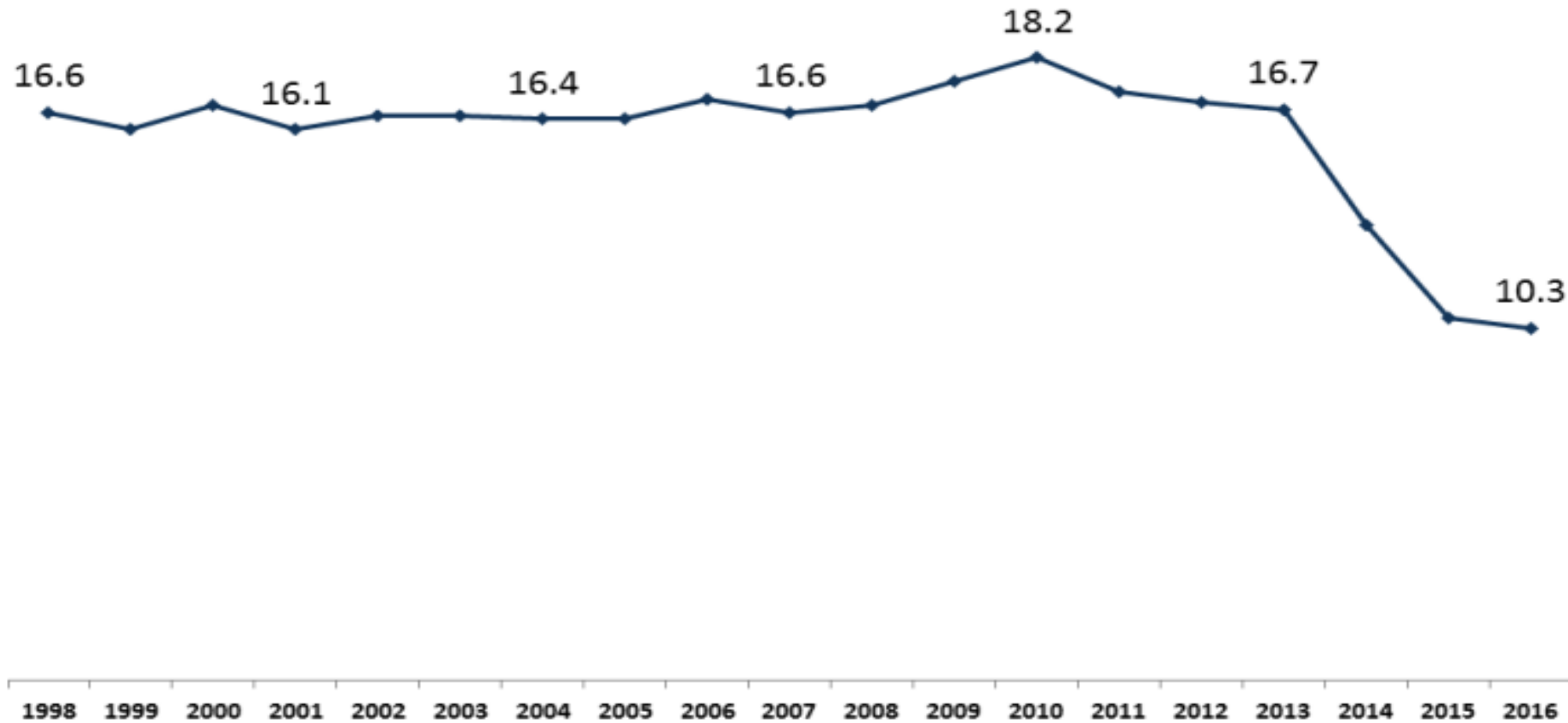
RANK: 1 to 10 11 to 20 21 to 30 31 to 40 41 to 50 Not Ranked

Takeaway # 4

No one chooses their biological roots or socio-economic beginnings before birth nor can they predict after, with any certainty, what medical condition, illness, or disease they may someday develop.

Figure 1

Uninsured Rate Among the Nonelderly Population, 1998-2016



NOTES: Includes nonelderly individuals ages 0-64.

SOURCE: Kaiser Family Foundation analysis of the 2016 National Health Interview Survey.

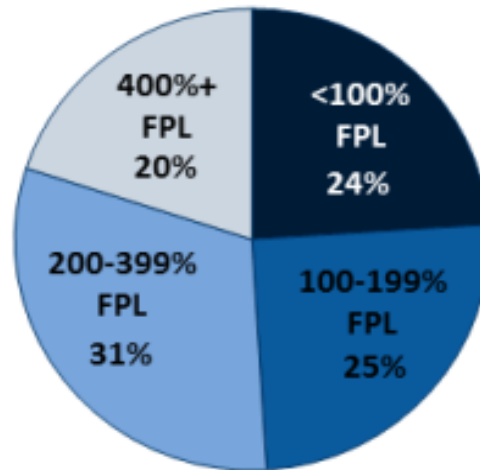
Figure 4

Characteristics of the Nonelderly Uninsured, 2016

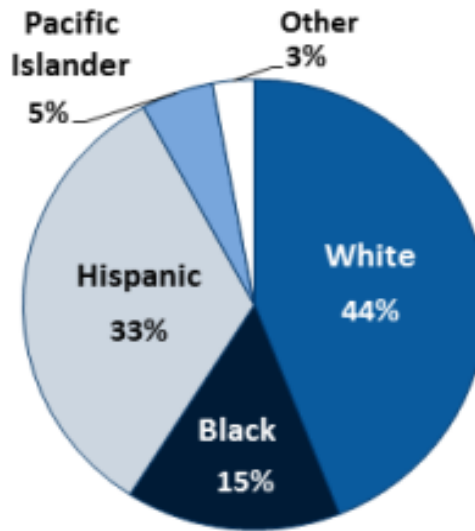
Family Work Status



Family Income (%FPL)



Race



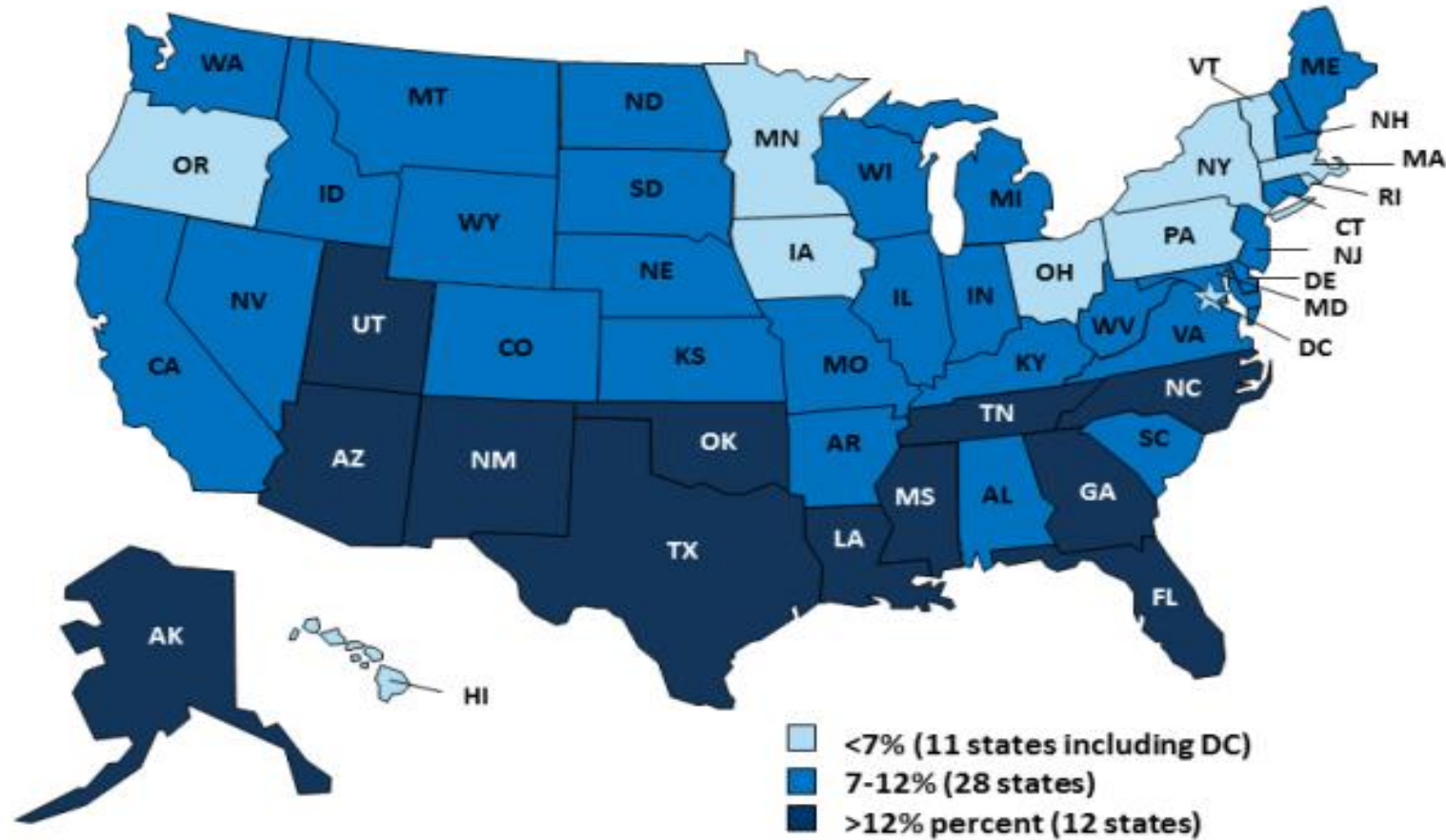
Total = 27.5 Million Nonelderly Uninsured

NOTES: Includes nonelderly individuals ages 0-64. The U.S. Census Bureau's poverty threshold for a family with two adults and one child was \$19,318 in 2016. Data may not total 100% due to rounding. Persons of Hispanic origin may be of any race; all other race/ethnicity groups are non-Hispanic.

SOURCE: Kaiser Family Foundation analysis of the March 2017 Current Population Survey, Annual Social and Economic Supplement.

Figure 5

Uninsured Rates Among the Nonelderly by State, 2016



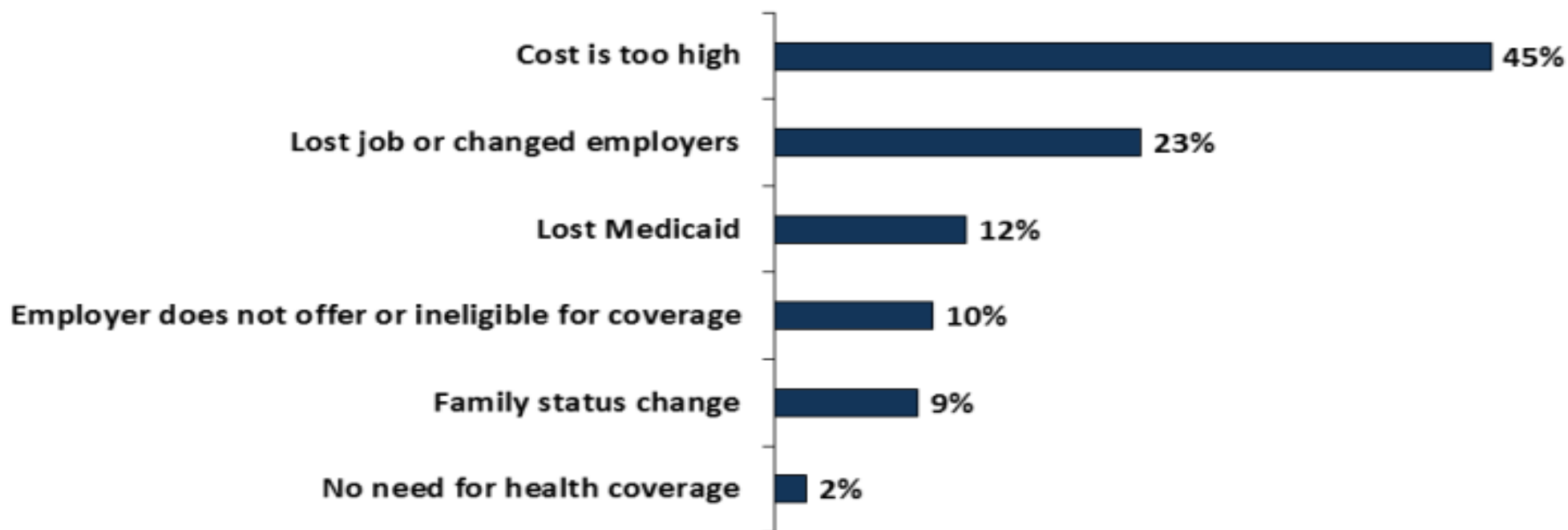
NOTES: Includes nonelderly individuals ages 0-64.

SOURCE: Kaiser Family Foundation analysis of the March 2017 Current Population Survey, Annual Social and Economic Supplement.

Figure 3

Reasons for Being Uninsured Among Uninsured Nonelderly Adults, 2016

Share who say they are uninsured because:

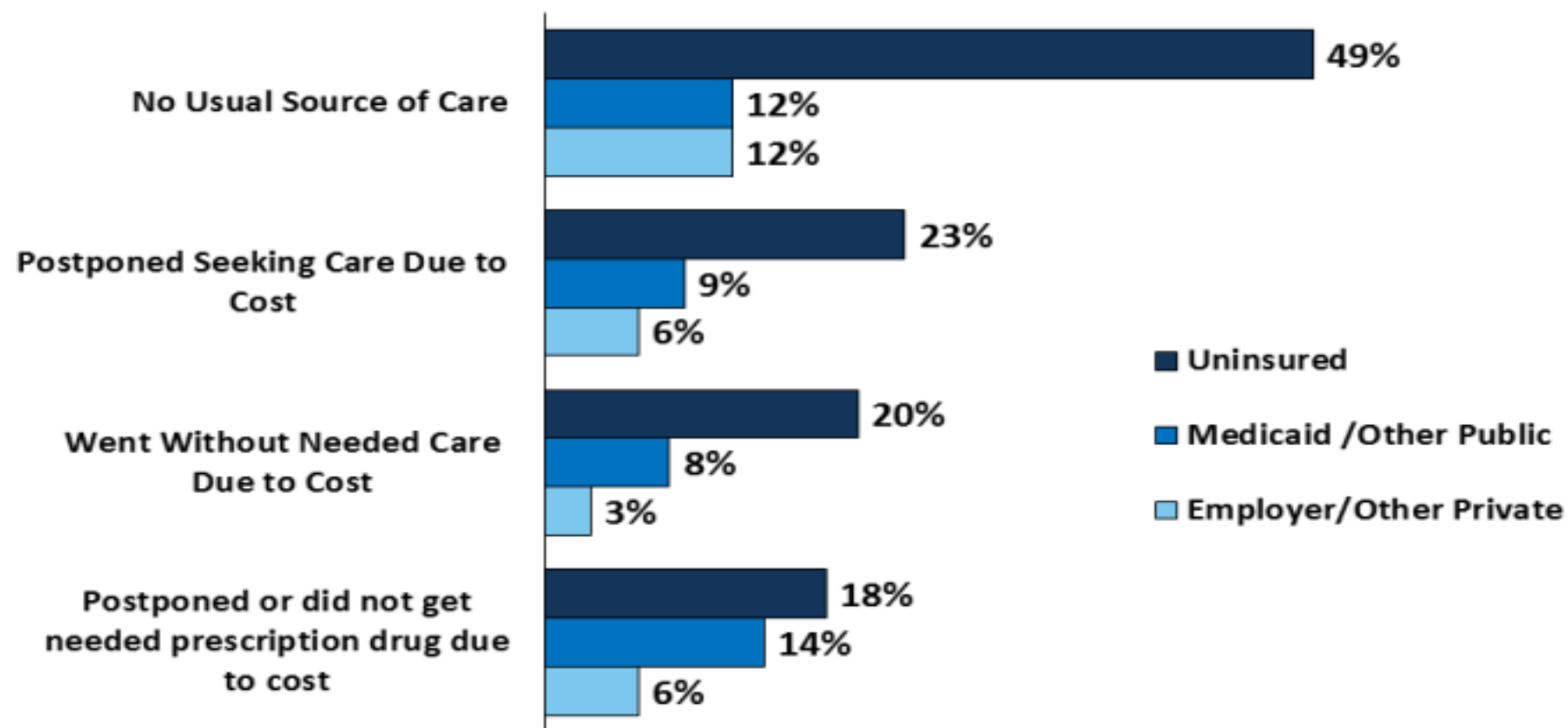


NOTES: Includes nonelderly adults ages 18-64. Respondents can select multiple reasons. Status change includes marital status change, death of spouse or parent, or ineligible due to age or leaving school.

SOURCE: Kaiser Family Foundation analysis of the 2016 National Health Interview Survey.

Figure 6

Barriers to Health Care Among Nonelderly Adults by Insurance Status, 2016

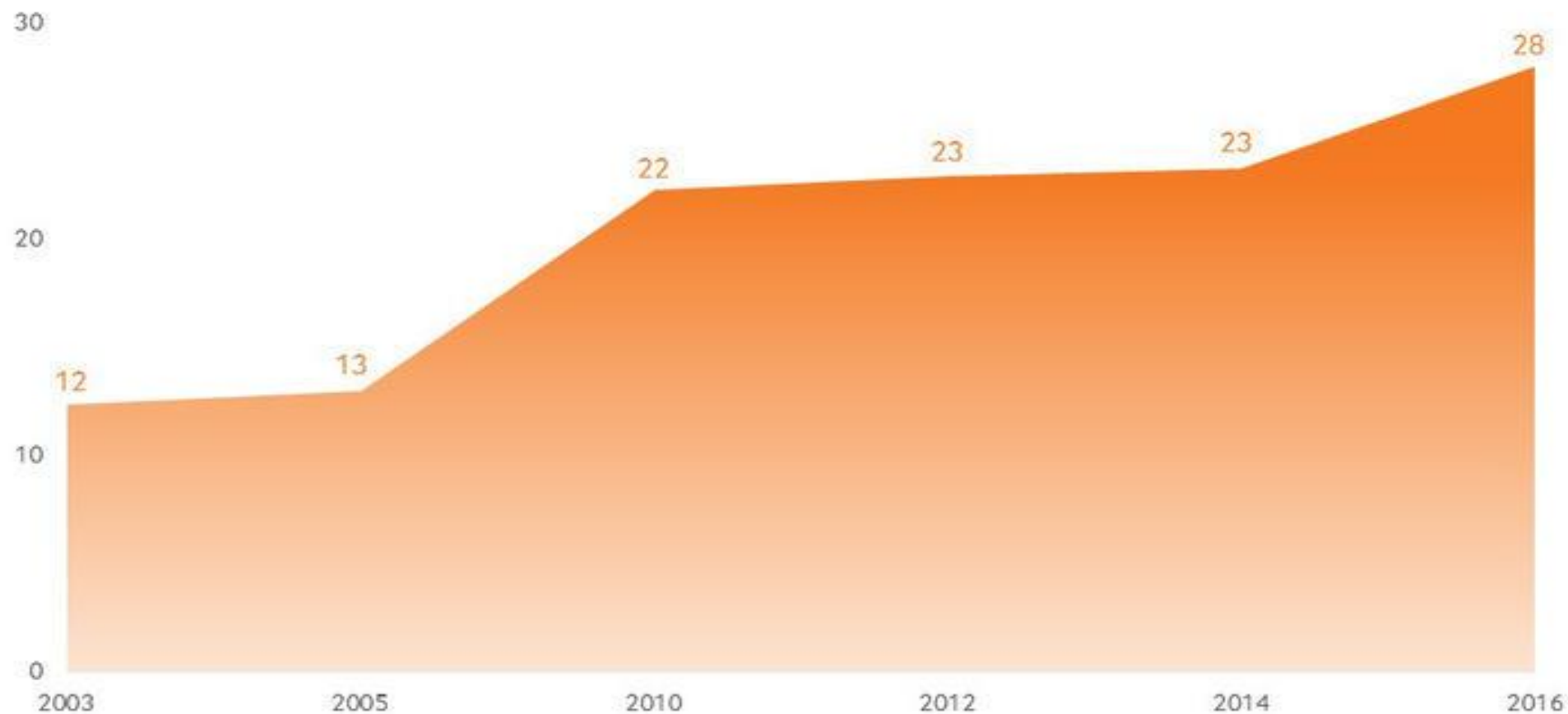


NOTE: Includes nonelderly adults ages 18-64. Includes barriers experienced in past 12 months. Respondents who said usual source of care was the emergency room were included among those not having a usual source of care. All differences between uninsured and insurance groups are statistically significant ($p < 0.05$).

SOURCE: Kaiser Family Foundation analysis of the 2016 National Health Interview Survey.

More Than One-Quarter of Insured Adults Were Underinsured in 2016

Percent adults ages 19–64 insured all year who were underinsured*



* Underinsured defined as insured all year but experienced one of the following: out-of-pocket costs, excluding premiums, equaled 10% or more of income; out-of-pocket costs, excluding premiums, equaled 5% or more of income if low-income (<200% of poverty); or deductibles equaled 5% or more of income.

Data: Commonwealth Fund Biennial Health Insurance Surveys (2003, 2005, 2010, 2012, 2014, and 2016).



Source: S. R. Collins, M. Z. Gunja, and M. M. Doty, *How Well Does Insurance Coverage Protect Consumers from Health Care Costs? Findings from the Commonwealth Fund Biennial Health Insurance Survey, 2016*. The Commonwealth Fund, October 2017.

The Forgotten Underinsured

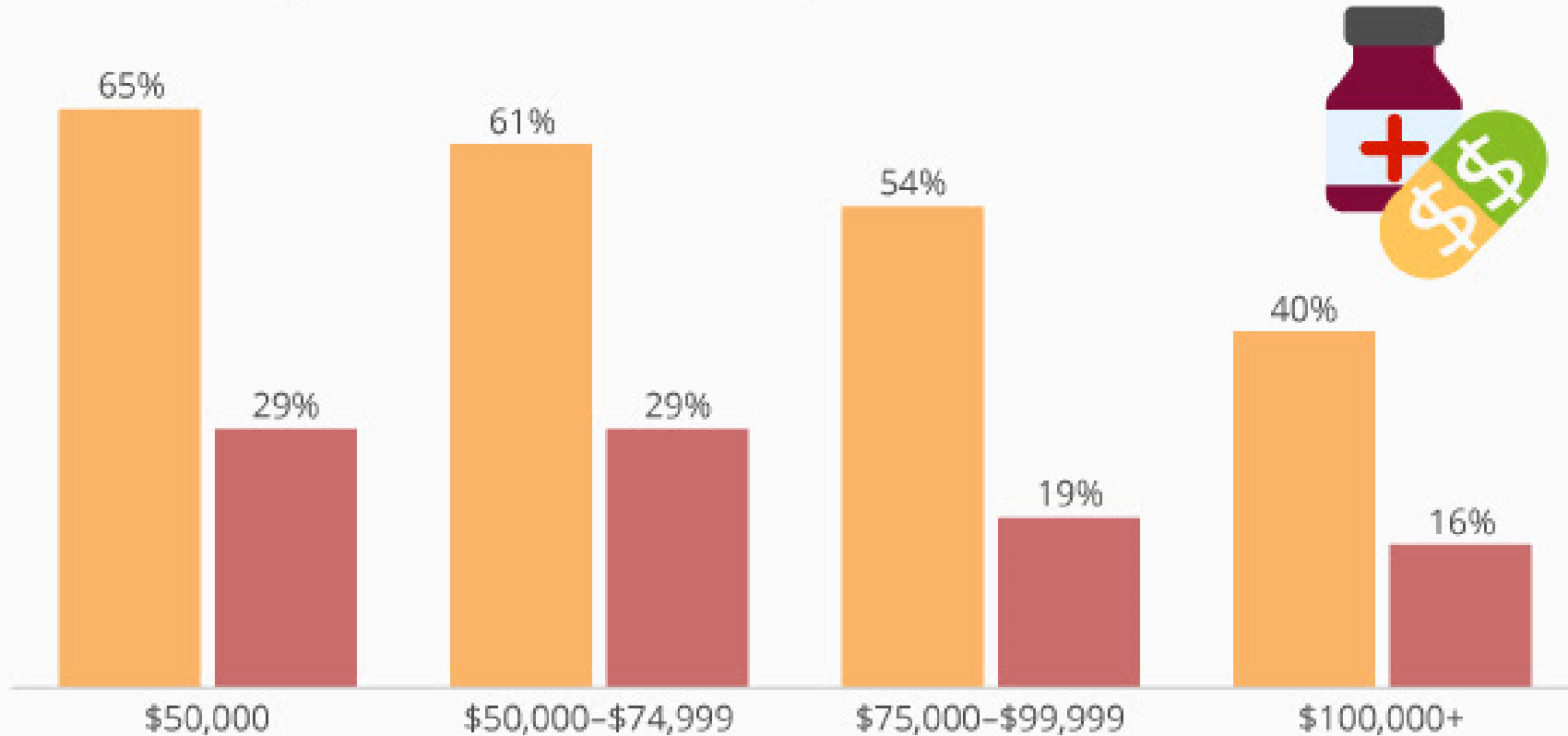
- Underinsured working-age adults grew from 12% in 2003 to 28% at end of 2016*
- 52% experienced medical bill problems.*
- 45% went without needed healthcare.*
- 56% of the estimated 41 million adults who were underinsured received their coverage through an employer.*
- 61% of the underinsured were low-income.
- Workers in companies with 100 or more employees saw largest increase in underinsured rate from 8% in 2003 to 22% in 2016.*

*Source: Commonwealth Fund, Press Release, October, 18, 2017

Many Americans Delay Medical Care As They Can't Afford It

Share of Americans delaying medical care by household income in 2019

- Have delayed medical care in the past 12 months
- Put off medical care for over a year because I couldn't afford it



Takeaway # 5

An **Improved Medicare for All Program** providing robust health insurance coverage “from the womb to the tomb” for all residents in the United States **is unquestionably financially feasible!**

So how much will it cost?*

* The following will summarize Dr. Gerald Friedman's updated financial analysis of H.R. 676, *the Improved and Expanded Medicare for All Act* as well as PERI's (Political Economic Research Institute) recent economic analysis of S.1804, *the Medicare for All Act*.

H.R. 676 – The Improved and Expanded Medicare for All Act

Dr. Gerald Friedman ¹, Department of Economics at the University of Massachusetts at Amherst, has done the most work analyzing the feasibility of House Bill 676 ².

Using Dr. Friedman's most recent analysis:

Projected 2019 cost of full ³ Medicare for All (\$billions)	\$2,878 *
Existing revenue including remaining out-of-pocket ⁴	<u>2,006</u>
Needed revenue	\$ 872

*** Includes the estimated savings of approximately \$1 trillion achieved through Improved Medicare for All, net of additional cost to extend coverage to all.**

¹ Prof. Friedman, "Yes, We Can Have Improved Medicare for All", December 11, 2018

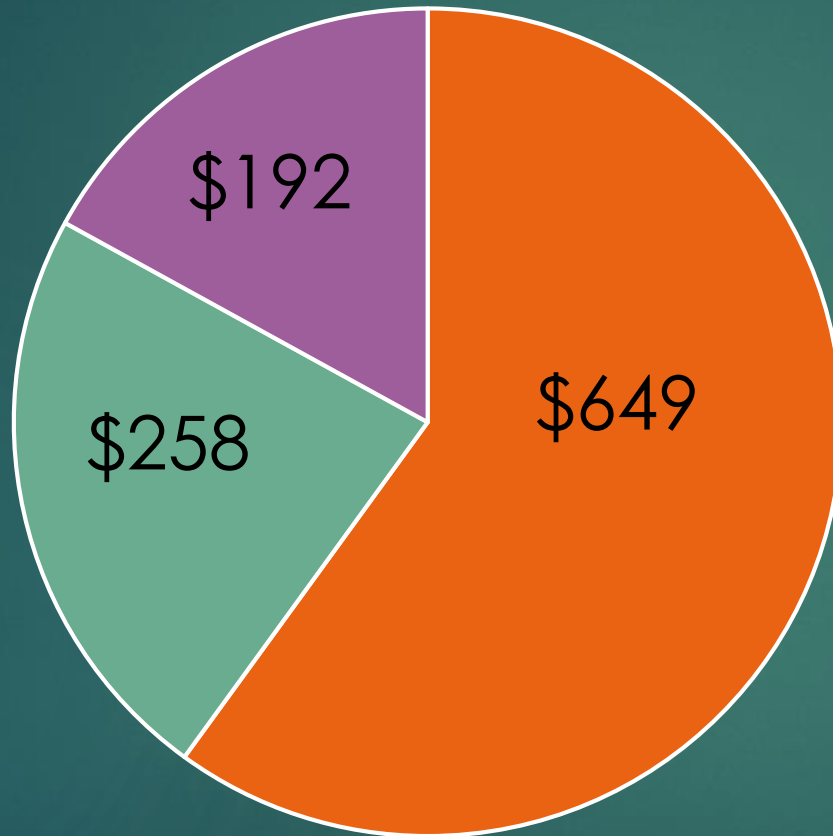
² Rep. John Conyers Jr. was H.R. 676's original sponsor. Congresswoman Pramila Jayapal is now lead sponsor.

³ No cost-sharing (deductibles, coinsurance, co-pays) or Medicare premiums

⁴ Out-of-pocket – an item, procedure, or service not covered

Friedman analysis of H.R. 676: The projected 2019 cost of our healthcare non-system is \$3.6 trillion. The Improved Medicare for All would achieve an estimated \$1 T in savings.

Projected Savings \$1.01 T



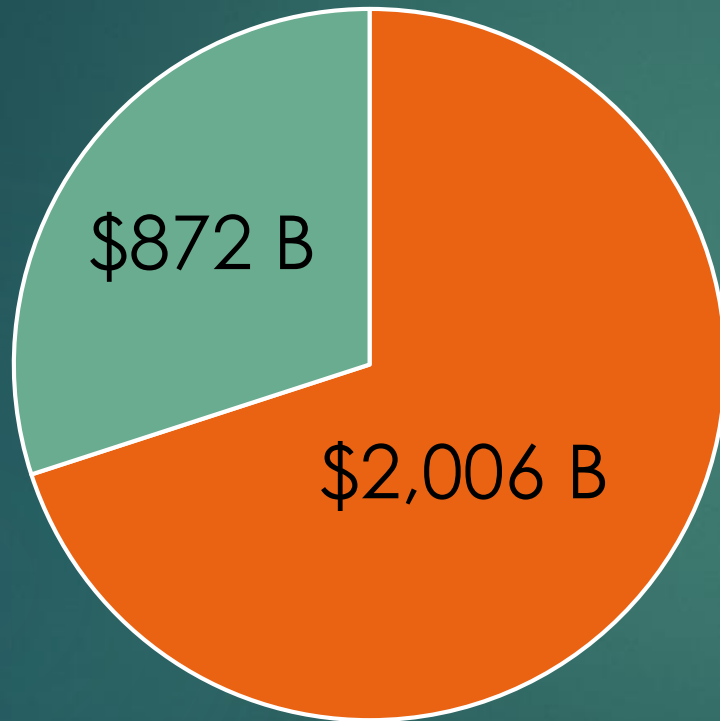
How?

- Ability to negotiate drug, medical device, and hospital pricing
- Lowering cost of provider billing and insurance activities
- Lowering cost of insurance administration

■ Reduction to Medicare Rates ■ Insurance Administration ■ Provider Administration

Friedman: H.R. 676 Improved Medicare for All *
No Cost-Sharing or Out-of-Pocket Expenses

Total Cost - \$2,878 B



Existing Revenue New Revenue Needed

Existing Revenue:

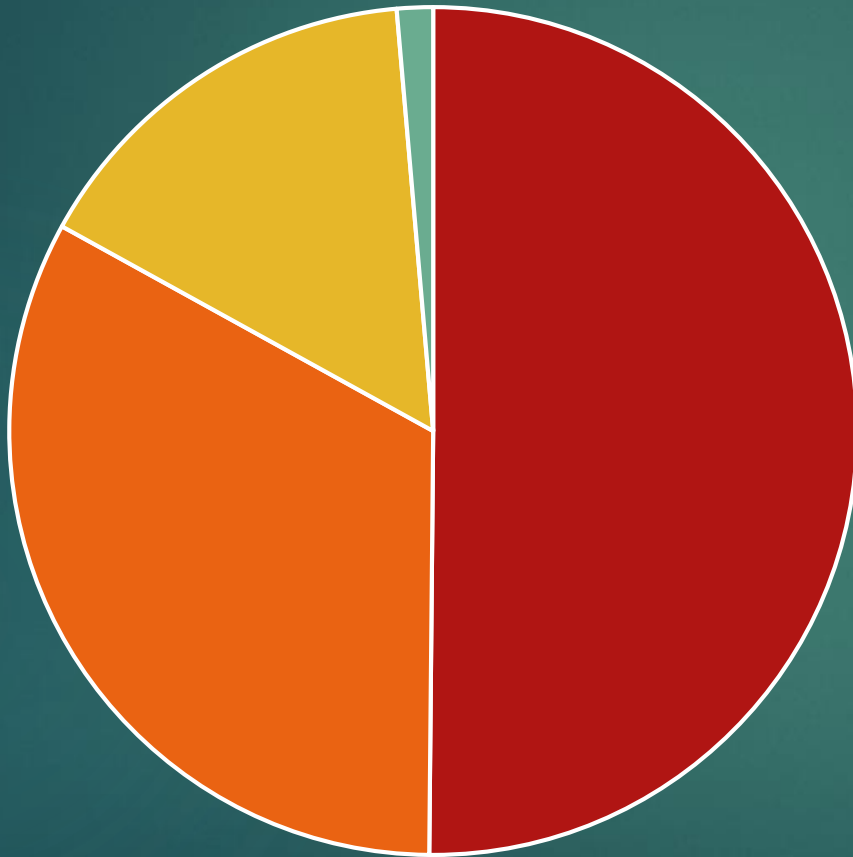
- Medicare, Net of Premiums
- Medicaid & CHIP
- Veterans Administration
- Active Military
- Tax Subsidies, e.g. Employer-provided Health insurance
- Other state & federal programs

All existing revenue sources would be combined.

* Covering approximately 28 million additional Americans currently uninsured and adequately covering 85 million persons currently underinsured.

PERI Analysis of Medicare for All, S.1804: The 2017 cost of our healthcare non-system was \$3.63 trillion. The Improved Medicare for All would achieve an estimated \$697 B in savings.

Projected Savings \$697 B



How?

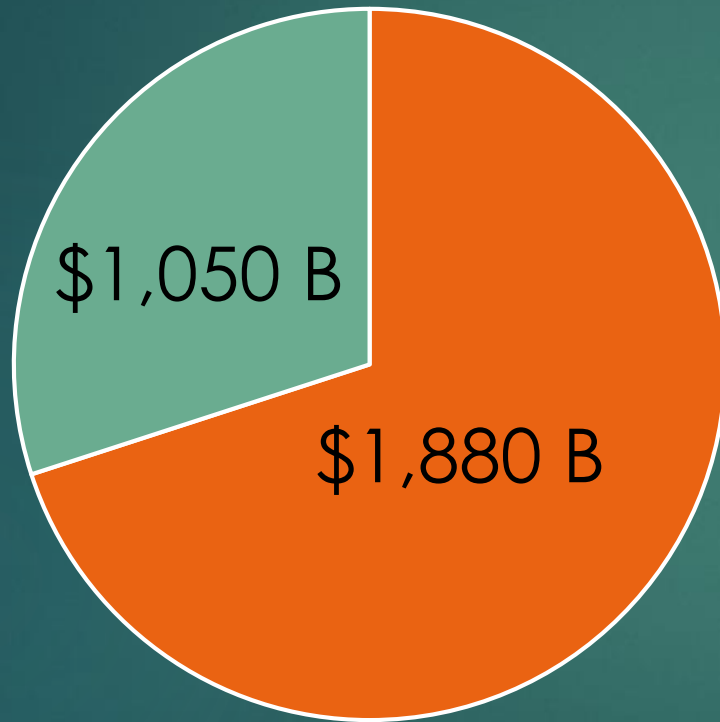
- Ability to negotiate drug, medical device, and hospital pricing
- Lowering cost of provider billing and insurance activities
- Lowering cost of insurance administration
- Lowering fraud and waste

■ Administration ■ Pharmaceutical Pricing ■ Reduction to Medicare Rates ■ Waste & Fraud

PERI: Improved Medicare for All *

No Cost-Sharing or Out-of-Pocket Expenses

Total Cost - \$2,930 B



■ Existing Revenue ■ New Revenue Needed

Existing Revenue:

- Medicare, Net of Premiums
- Medicaid & CHIP
- Veterans Administration
- Active Military
- Tax Subsidies, e.g. Employer-provided Health insurance
- Other state and federal programs

All existing revenue sources would be combined.

* Covering approximately 28 million additional Americans currently uninsured and adequately covering 85 million persons currently underinsured.

Bottom Line: After savings from our existing inhumane, income and wealth generating, inefficient healthcare non-system are realized the amount of new revenue that will be needed to implement Improved Medicare for All* will be approximately:

\$900 B to \$1 T

Now please remember the first 3 takeaways.

* Improved Medicare for All defined as all residents of the United States having robust health insurance coverage with no cost-sharing.

Takeaway # 6

Don't allow any elected official to tell you that a program or policy goal like *Improved Medicare for All* is financially unfeasible or too costly without asking, indeed demanding, that they share the analyses that they are basing their conclusion on, so that you can study it! (with people or organizations to help you, if need be.)

Budgeting is the allocation of financial resources to achieve desired program or policy goals. It is not “rocket science!”

What follows is a listing of potential revenue sources to fund Medicare for All. They are taken from a variety of studies, including Dr. Gerald Friedman's “*Yes We Can Have Improved Medicare for All*”, the Political Economic Research Institute's “*Economic Analyses of Medicare for All*”, and the Office of Sen. Bernie Sanders's “*Options to Finance Medicare for All.*” I offer one as well.

Potential Revenue Sources for Paying for Improved Medicare for All

Category 1: The Wealthy Pay Their Fair Share

\$billions per year

- More progressive personal income tax ^{1, 2} \$180
- Return to a progressive estate tax ¹ 25
- Wealth tax on top 0.1 percent ^{1, 3} 130
- Close loopholes benefitting wealthy business owners ¹ 25

Category 2: Wall Street firms & large corporations pay their fair share

- One-time tax on offshore profits ¹ 77
- Fee on large financial institutions & close accounting loopholes ¹ 23
- Corporate tax reform ⁴ 100

Category 3: Miscellaneous

- Tobin (Robin Hood) tax on stock & bond transactions ² 130
- Business health care premium ³ 623
- Sales tax on non-essentials ³ 196

Potential Revenue Sources, continued

Category 4: Government waste – Defense Department ⁴	<u>125</u> *
Total	\$1,634

The Point: We have managed to raise much more than enough for the amount needed to fully fund Improved Medicare for All without the need for cost-sharing or an added payroll levy by replacing the fiscal unfairness of the last 40 years with a tax policy that is driven by a vision of the United States that is just, fair, and humane.

* A 2015 Defense Department internal study conducted by the Defense Business Board (DBD) recommended cutting **\$125 billion** in administrative waste from the Pentagon's budget. The DBD was supplemented by consultants from McKinsey & Co.

We see that the revenue needed to make Improved Medicare for All with no cost-sharing (i.e. co-payments, co-insurance, deductibles, premiums) a reality is as stated in the beginning of this presentation, unequivocally feasible.

But what if there are other societal priorities that desperately needed revenue, such as investments in infrastructure or alternative energy sources to combat climate change, universal Pre-K, workforce development, or guaranteed college education,?

Then we might employ:

Category 5: Payroll levy on employers and households ^{2, 3}

- 7.5 percent income-based premium paid by employers \$390
- 4.0 percent income-based premium paid by households 350

Category 6: Some cost-sharing , if necessary ???

Caveat: Use of either a payroll levy or some level of cost-sharing must achieve a **substantial reduction** in healthcare expenditures for our country's citizens and residents.

¹ Bernie Sanders' "Options To Finance Medicare for All"

² Gerald Friedman, "Yes We Can Have Improved Medicare for All"

³ PERI, "Economic Analysis of Medicare for All"

⁴ Frank Puig



Let's look at one potential funding source

The Real Skinny on Corporate Taxes

Federal Government Receipts By Source and Percent of Total

Year	Individual Income Taxes	Corporate Income Taxes	Social Insurance & Retirement	Excise Taxes	Other
1952	42.2%	32.1%	9.7%	13.4%	2.6%
2019*	49.0%	7.0%	36.0%	3.0%	5.0%

Notice anything???

Sources: Tax Foundation, and The Balance, "Government Tax Revenue, Who Really Pays Uncle Sam's Bills", November 7, 2018

The fine art of corporate tax avoidance:

- Offshore tax sheltering
- Accelerated depreciation
- Stock options
- Industry-specific tax breaks
- Manufacturing doesn't mean what you think it means!
e.g. coffee roasting, a Starbucks goodie

All made possible by your friendly lobbyists!

Summary of eight-year tax rates for 258 companies, 2008-2015

Effective tax rate group	# of cos.	% of cos.	2008-15 (\$-billion)			Ave. 8-yr profit (\$-mill.)	
			Profits	Tax	Ave. Rate	Pre-tax	After-tax
Less than 17.5%	83	32%	\$ 1,274.2	\$ 107.5	8.4%	\$ 15,352	\$ 14,057
17.5% to 30%	109	42%	1,627.2	393.7	24.2%	14,929	11,317
More than 30%	66	26%	909.2	305.7	33.6%	13,775	9,143
All 258 companies	258	100%	\$ 3,810.6	\$ 806.9	21.2%	\$ 14,770	\$ 11,642
48 Ultra-low tax companies:							
Zero or less	18	7%	\$ 178.0	\$ -7.2	-4.0%	\$ 9,889	\$ 10,289
0% to 10%	30	12%	584.0	40.5	6.9%	19,467	18,117

18 Corporations Paying No Total Income Tax in 2008-2015

Company (\$-millions)	08-15 Profit	08-15 Tax	08-15 Rate
Pepco Holdings	\$ 3,022	\$ -843	-27.9%
PG&E Corp.	10,843	-1,569	-14.5%
Wisconsin Energy	5,894	-592	-10.0%
NiSource	4,399	-352	-8.0%
International Paper	5,010	-386	-7.7%
FirstEnergy	8,842	-465	-5.3%
Priceline.com	698	-31	-4.4%
Atmos Energy	2,826	-114	-4.0%
General Electric	40,057	-1,369	-3.4%
American Electric Power	17,170	-464	-2.7%
Ryder System	2,045	-55	-2.7%
Duke Energy	19,767	-422	-2.1%
NextEra Energy	21,518	-313	-1.5%
Xcel Energy	10,291	-111	-1.1%
Ameren	7,243	-48	-0.7%
CMS Energy	4,666	-26	-0.6%
Sempra Energy	7,000	-34	-0.5%
Eversource Energy	6,703	-11	-0.2%
TOTAL	\$ 177,995	\$ -7,205	-4.0%

From “The 35% Corporate Tax Myth” – ITEP, March 9, 2017:

“Who Loses From Corporate Tax Avoidance?”

The general public. As a share of the economy, corporate tax payments have fallen dramatically over the last quarter century. Some obvious group of losers from growing corporate tax avoidance is the general public, which has to pay more for and/or get less in – public services....

Disadvantaged companies. Boeing paid an eight-year federal tax rate of 5.4 percent, while competitor General Dynamics paid 27 percent.

The U.S. economy – Instead, they (corporations) ask for subsidies to reward them for doing what they would do anyway. Thus, to a large degree, corporate tax subsidies are simply an economically useless waste of resources.

State governments and state taxpayers. The loopholes that reduce federal corporate income taxes cut state corporate income taxes, too, since corporate tax systems generally take federal taxable income as their starting point in computing taxable corporate profits.

The integrity of the tax system and public trust!”

The Bottom Line:

“Over the 2008-2015 period, the 258 companies earned more than **\$3.8 trillion in pretax profits** in the United States. Had all of those profits been reported to the IRS and taxed at the statutory **35 percent** corporate tax rate, then the 258 companies would have paid **\$1.3 trillion in income taxes** over the eight years.”

Gee, that could have provided over **\$160 billion per year** towards Medicare for All!

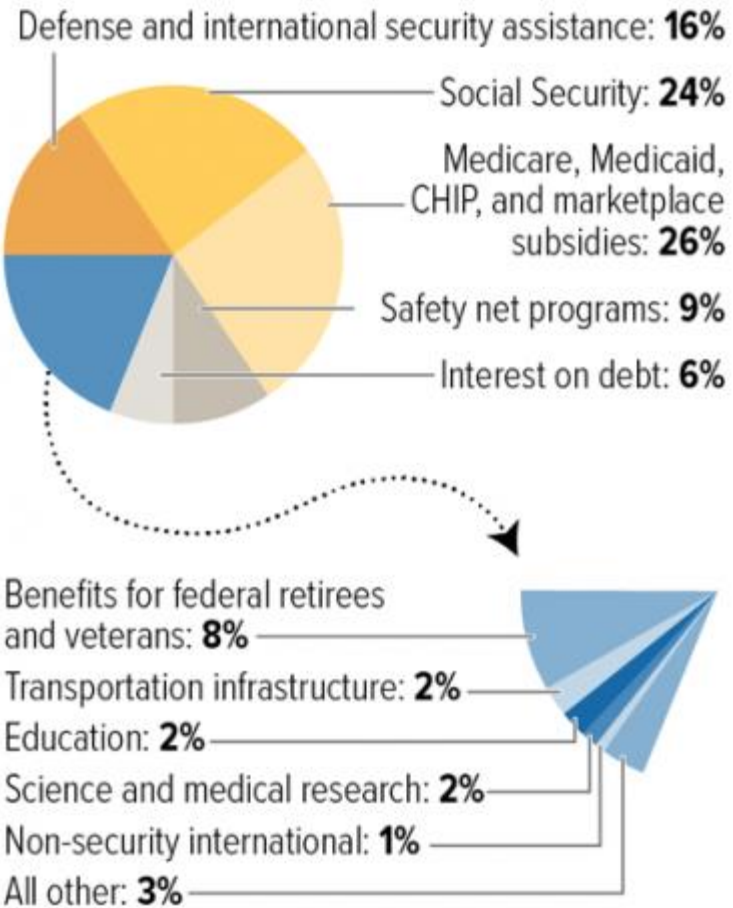
Or

\$100 billion per year with the **new 21 percent** corporate tax rate

Takeaway # 7

We need a new vision for our country built on a foundation of caring and common sense. It must start with educating our families, friends, neighbors, and fellow citizens about what the rest of the developed world has embraced. Universal health care is a human right. It can become a reality in the United States.

Most of Budget Goes Toward Defense, Social Security, and Major Health Programs



Source: 2016 figures from Office of Management and Budget, FY 2018 Historical Tables

2016 federal budget: \$3.9 trillion*

Please note 3 areas:

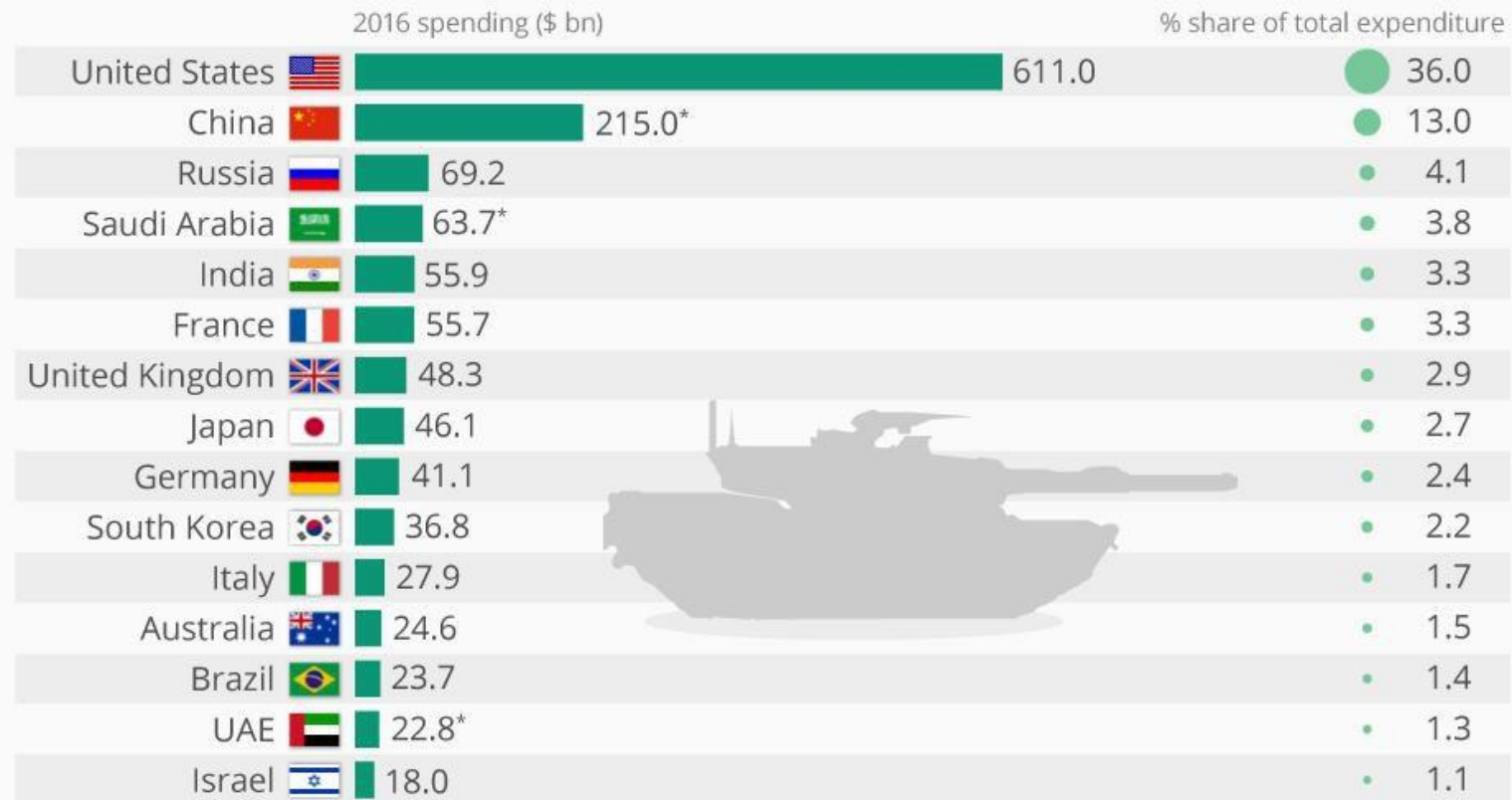
- Defense 16%
- Interest on debt 6%
- Education & Research 4%
- Transportation & Infrastructure 2%

* Source: Center for Budget & Policy Priorities, "Where Do Our Federal Tax Dollars Go?"

2016 Defense Budget was \$624 B

The Top 15 Countries For Military Expenditure in 2016

2016 military expenditure by country and share of global total



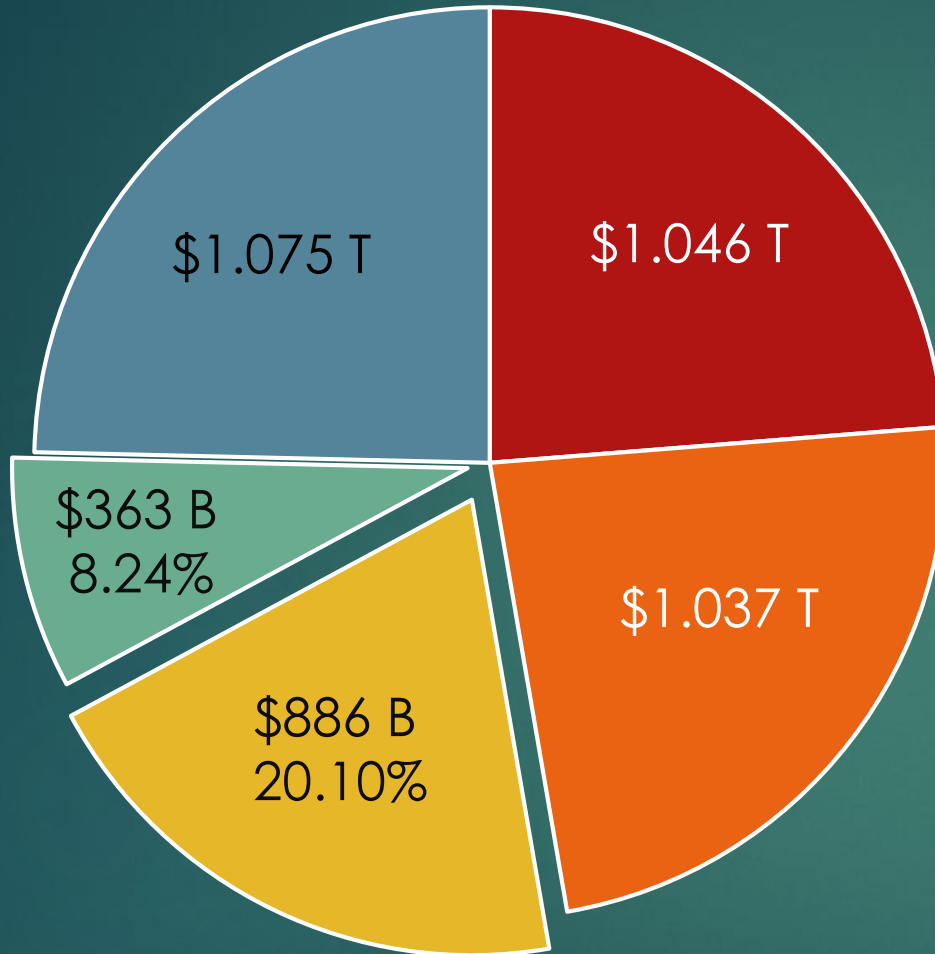
* Estimate

@StatistaCharts Source: Sipri

Forbes statista

North Korea \$10.0 bn
Iran \$14.5 bn
Iraq \$ 7.4 bn

Federal Budget 2019 - \$4.407 T



■ Social Security

■ Military

■ Other Discretionary & Mandatory

■ Medicare & Medicaid

■ Interest on National Debt

Discretionary & Mandatory includes:

All Other Domestic Programs, e.g.

- Housing & Urban Development
- Education
- Health & Human Services/Safety Net*

* Safety net programs include: SNAP, school meals, low-income housing assistance, child care assistance, energy assistance, children's services, SSI, UI etc.

Source: The Balance, August 2108, "US Federal Budget Breakdown"



John Adams in letters to Thomas Jefferson,

“To me it appears that there have been party differences from the first establishment of governments, to the present day....Every one takes his side in favor of the many or the few.”

“ How can we free ourselves from illusions about the free market in order to assume a more equitable distribution of wealth?”

From “American Dialogue, The Founders and Us”, Joseph J. Ellis, Alfred A. Knopf 2018

President Lyndon Baines Johnson signs HR 6675, the Social Security Amendments of 1965, establishing Medicare, on July 30, 1965. Who will sign the historic Medicare for All?



What you can do:

- Continue to add to your knowledge of Improved Medicare for All universal healthcare not only in terms of its policy development in our country but also how universal healthcare works in other countries around the world.
- Share your knowledge at every opportune moment with family, friends, neighbors, and co-workers. Host a viewing of “Fix It” videos in your home.
- Organize viewings of “Fix It” videos at your church, synagogue, mosque, community center, civic association, or community organization. Set aside time time for discussion.
- Become an engaged citizen and investigate your elected representative’s position on Medicare for All, meet with them, attend their town halls.
- Become active in supporting candidates for elective office that strongly support Medicare for All.
- Join or start a citizen’s group or organization devoted to the goal of promoting Medicare for All.
- Invite speakers, such as myself, to help inform your organization about Medicare for All.

Resources

- PNHP (Physicians for a National Health Program) – www.pnhp.org
- Kaiser Family Foundation - www.kff.org
- Commonwealth Fund – www.commonwealthfund.org
- “Fix It” Campaign – www.fixithealthcare.com
- National Nurses United – www.nationalnursesunited.org
- DUH - Demand Universal Healthcare – www.duh4all.org
- Health Over Profit – www.healthoverprofit.org
- Facebook: [ENIMA Expanded National Medicare for All](#)

Books

- “America’s Bitter Pill – Money, Politics, Backroom Deals, and the Fight To Fix Our Broken Healthcare System” by Stephen Brill, Random House, 2015
- “The Healing of America – A Global Quest for Better, Cheaper, & Fairer Healthcare” by T. R. Reid, Penguin Books, 2010
- “An American Sickness: How Healthcare Became Big Business and How You Can Take It Back” by Elisabeth Rosenthal, Penguin Press, 2017

Bonus Slide

**Who Are the
“4 Horsemen of the Apocalypse”
of the Modern Era?**



Lewis F. Powell Jr., Democrat – Author of the “Powell Memorandum,” the playbook for corporate dominance of our domestic and foreign policy. Confirmed in 1971 as an Associate Justice of the Supreme Court.

Newt Gingrich, Republican – The 50th Speaker of the House of Representatives and the architect and co-author of “Contract With America” designed to make Americans lose faith, confidence, and trust in our governmental institutions.

Grover Norquist, Republican – Founder and President of Americans for Tax Reform. Its purpose in a nutshell: make Americans hate the word “tax.”

Bill Clinton, Democrat – 42nd President and most influential member of the “New Democrats” who “triangulated” the Democratic Party to the political right through deregulation of Wall Street and telecommunications, and the championing of “Welfare Reform.”

Thank You!

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