

No cure in sight for US health care costs

June 28 2012, by Sandra Ferrer

"Every time I see what I pay for me and my family's health it makes me sick," says Fiona, a 46-year-old mother of two who -- unlike some 50 million Americans -- actually has health insurance.

Americans frustrated with their country's notoriously expensive and complicated health care system are eagerly awaiting the Supreme Court's ruling -- expected Thursday -- on President Barack Obama's landmark 2010 reform law.

The law would expand coverage to another 32 million [uninsured Americans](#) and bar [insurance companies](#) from denying coverage because of pre-existing conditions -- but only if the Supreme Court does not rule the law unconstitutional over a controversial requirement that all Americans acquire [health insurance](#).

But even if the reforms -- derided by critics as "Obamacare" -- are upheld, the high costs and labyrinthine paperwork associated with US health insurance will remain, to the frustration of many Americans.

Fiona already has relatively good coverage by US standards: she pays \$10 to go to the doctor and \$100 for [emergency room](#) visits. [Minor surgery](#) would cost her around \$400, some 20 percent of the total bill, she told AFP.

But the costs add up. Fiona guesses she pays some \$6,500 a year in [medical expenses](#). "It is so frightening to think of what it would mean for my finances if I were really sick!" she says.

US [health care costs](#) are beyond the means of most of the uninsured. A physician visit runs \$150, a visit to the [dermatologist](#) to get a mole removed can cost \$200 and a mammogram can be as much as \$1400.

And that doesn't include the cost of [prescription drugs](#).

In a pharmacy near the US capital Washington, a Chinese woman who had recently moved to the United States and asked not to be named described her shock when she first came in to buy ear drops.

"The [pharmacist](#) said 'one thirty-seven,' so I took out a dollar and 37 cents. She gave me a funny look and said: 'No, madame, I meant \$137.'"

Those like Fiona, who are fortunate enough to have health insurance that covers part of the cost of drugs, say sorting out their costs and benefits is extremely complicated.

The "Remapping Debate" website, run by independent journalists, recently compared the number of staff in the billing department of a hospital in Massachusetts and another in Toronto, Canada.

The US hospital had 300; the Canadian facility had just three.

Heidi, 48, a schoolteacher in a suburb of Washington, says she is fortunate enough to be insured through her employer and is generally healthy, but fears that market forces drive much of the US health care system.

"In my limited experience, it does seem that our [health care system](#) is driven by a profit motive rather than a focus on helping people get well and stay well," she says.

"If providers earn more each time another test is ordered, each time

another prescription is written, the incentive is to keep the patient coming in for more treatment rather than simply addressing the illness."

The United States spends 16.2 percent of its GDP on health care, or \$7,400 per capita, compared with France, which spends 11.7 percent of GDP, or \$4,000 per capita, according to 2009 World Health Organization figures.

And yet France came out at the top of the WHO's list of the world's best overall health care providers, while the United States ranked 37th.

"There is a big crisis in this country that no one seems to hear or listen to," said Stan Brock, the founder of Remote Area Medical, a charitable group that provides free health services through a fleet of mobile clinics.

"If people with the power to change things could only see what we do during our events they would realize the depth of the health crisis."

Americans with no insurance can and do go to hospital emergency rooms to receive care -- with US taxpayers covering most of the bills -- but that doesn't cover less urgent medical needs.

"The people who attend our events are not only homeless or unemployed Americans," Brock says.

"Now they are mainly middle class people who need their teeth to be fixed, a pair of glasses or a doctor checkup."

Inside the complex US health care case

In ruling on the constitutionality of President Barack Obama's health care reforms, the US Supreme Court must decide on four issues:

1. Is the individual mandate a "tax" or a "penalty"?

At the heart of the Patient Protection and Affordable Care Act, dubbed "Obamacare" by critics, lies the individual mandate that requires every US citizen from 2014 to take out health insurance or be subject to a fine.

Before reaching a decision on the constitutionality of the individual mandate, the court must decide whether the federal Anti-Injunction Act prevents it from doing so at this time.

The decision hinges on whether the fine for not taking out health insurance constitutes a "tax" or a "penalty." If the court decides the fine is a "tax," it will not have jurisdiction to rule until some point in 2015 when tax returns have been collected and assessed.

If, as expected, justices decide the fine is a "penalty," the case will proceed and they will announce their other key decisions.

2. Is the individual mandate constitutional?

Article 1, Section 8, Clause 3 of the constitution gives Congress authority "to regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes."

The Obama administration says the so-called "Commerce Clause" validates the individual mandate, but Florida and 25 other supporting states claim it doesn't because the mandate forces people to buy something.

"If they can force you to buy health insurance, they can force you to buy a car, asparagus, a gym membership," Ken Cuccinelli, Republican attorney general for Virginia, told AFP.

Opponents of the law say a decision to not purchase health insurance constitutes inactivity, so it does not really count as interstate commerce and is therefore not subject to the Commerce Clause.

They argue that the individual mandate forces people into commerce, branding it an unprecedented power grab by Congress over states' rights.

The Obama administration argues that because everyone will use health care at some point in their lives, Congress is within its rights to require people to buy insurance to limit the costs imposed on the system by the uninsured.

It also argues that for everyone to have affordable insurance premiums, including people with pre-existing conditions, young healthy people must participate in the market.

3. If the individual mandate goes is the whole law doomed?

If the Supreme Court declares the individual mandate unconstitutional, it must then decide whether the rest of the law can function without it.

If the mandate is found to be unconstitutional and not "severable," the entire law will be struck down. The court could also decide to invalidate only certain provisions.

For this decision, justices would have to bear in mind whether they believe Congress would have enacted the law's other provisions without the individual mandate.

4. Is the law's expansion of Medicaid constitutional?

The law also expands the Medicaid health program for low-income families.

Participating states will have to cover people under 65 whose household incomes are below a certain level, expanding coverage to an estimated 16 million uninsured, poor Americans, according to the independent Congressional Budget Office.

Opponents argue this expansion is unconstitutional as it forces states to provide coverage to this new group with an implicit threat to withhold federal Medicaid funds.

The Obama administration argues that Congress has the constitutional power to attach conditions to the release of federal funds. It also says Congress has reserved the right to amend Medicaid, pointing out that the program has been repeatedly expanded over the years.

Supporters also highlight the fact that it is the federal government that will cover nearly all the costs of the Medicaid expansion.

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