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**Republicans’ biggest misunderstanding about Obamacare**

The right hates the new healthcare law because they think its reach will be universal. The problem is the opposite

The battle for universal healthcare is not over. This is not because of the reason you might suspect – that Republicans will obstinately endeavor to obstruct Obamacare in every way they can (though that seems to be the case). Instead, even after the smoke clears from the government shutdown (presumably with the law intact), the battle over universal healthcare will still not be over, but for a more fundamental reason: Obamacare, whatever its advantages (and despite the right’s worst fears), does *not* create a system of universal healthcare.

Now first, to be clear, this is not to say that Obama’s Affordable Care Act won’t help many people. The uninsured who become eligible for coverage through the expansion of Medicaid, for example, will of course be better off – assuming they don’t live in one of the [20 or more states](http://www.commonwealthfund.org/Maps-and-Data/Medicaid-Expansion-Map.aspx) that have callously elected to deny them this potentially lifesaving opportunity. Additionally, many uninsured who were previously unable to afford private health insurance may now be able to do so, for instance through the new income-based premium subsidies. And most of us will benefit from many of the law’s insurance reforms, like the one that prevents insurers’ from denying us coverage because we are sick.

And at the same time, have no doubt: The various Republican alternatives for American healthcare would be disastrous. Consider the most recent GOP healthcare proposal [H.R. 3121](http://rsc.scalise.house.gov/solutions/rsc-betterway.htm), which would [gut](http://pnhp.org/blog/2013/09/23/gop-proposal-would-exacerbate-health-crisis-particularly-for-working-poor/) state insurance regulations, eliminate popular ACA reforms like the ban on “preexisting conditions,” end the Medicaid expansion, and provide tax benefits that would preferentially benefit the wealthy, among other unhelpful proposals that would do nothing to help the uninsured. Conservative “[consumer-driven](http://www.salon.com/2013/09/06/the_rights_health_care_revolution_is_a_scam/)” healthcare dreams, more generally, would in truth be nightmares, radically furthering the transformation of healthcare into yet another commodity, bought by “consumers” in proportion to their means, not provided to patients on the basis of their needs.

Yet these facts don’t change the fundamental fact that the ACA will not create what so many of us want, what the right so fervently fears, and – most important – what so many people really need: true universal healthcare. Why?

First, on a basic level, the ACA is not universal healthcare because though it will reduce uninsurance, it won’t provide universal coverage. According to the Congressional Budget Office’s [May 2013](http://www.cbo.gov/sites/default/files/cbofiles/attachments/44190_EffectsAffordableCareActHealthInsuranceCoverage_2.pdf) estimates, even by 2020 some 30 million Americans will be left uninsured under the ACA, a number that can only be partially attributed to intransigent Republican state governments that have blocked the expansion of Medicaid in their states.

But even putting aside those 30 million people, the ACA is insufficient because it will not deliver what most of us think of as universal healthcare: a system of equitable and comprehensive care for all, with full protection against the cost of illness. Indeed, on the contrary, underway already is a “[quiet revolution](http://www.nytimes.com/2013/08/21/business/survey-finds-modest-rise-in-health-insurance-premiums.html?_r=0)” in American healthcare, in the words of Dr. Drew Altman of the Kaiser Foundation, that moves us “from more comprehensive to less comprehensive” health insurance, with patients paying more and more out of pocket every time they get sick. Ironically, even with the ACA going into full effect, “the vision of insurance that they’ve [conservatives] always favored,” as Altman told the New York Times, “with more skin in the game, is the one that’s coming to dominate in the marketplace.”

The data clearly show, for instance, that with each passing year, [more and more](http://kff.org/report-section/2013-summary-of-findings/) of the insured are already paying higher and higher deductibles, [co-pays](http://www.salon.com/2013/08/05/your_doctor_copays_are_too_high/), and co-insurance whenever they actually need to use their expensive insurance (despite unsurprising evidence that rising out-of-pocket expenses can deter people from seeking needed medical care). In another disturbing [trend](http://www.bloomberg.com/news/2013-09-18/walgreen-joins-in-exodus-of-workers-to-private-exchanges.html), major employers – including Walgreens, Sears and Darden restaurants – seem to be moving away from “fixed benefit” health insurance to “fixed contribution” plans, in which employees receive a lump sum to buy a healthcare plan, with no guarantee that these contributions will keep up with the cost of health insurance in future years. It should be noted that this “quiet revolution” toward higher out-of-pocket expenses and more limited benefits is *not* of the ACA’s making. At the same time, however, the ACA will do little to reverse it (and, in the case of the new excise tax on “[Cadillac](http://www.salon.com/2013/08/16/the_cadillac_health_plan_is_a_myth/)” healthcare plans, may even exacerbate it).

Meanwhile, for those not insured by their employer and who buy health insurance on the state exchanges that opened on Oct. 1, “underinsurance” may very well become the norm. The plans on the exchanges will be offered in tiers, with the lowest level – the Bronze plan – only required to have an actuarial value of 60 percent (that is to say, the percent of your average annual healthcare expenses that insurance actually pays for), with [out-of-pocket annual expenses](http://kff.org/interactive/subsidy-calculator/) (after your premium is paid) reaching as high as $12,700 a year for families (depending on [income](http://www.kaiserhealthnews.org/features/insuring-your-health/2013/070913-michelle-andrews-on-cost-sharing-subsidies.aspx)). Moreover, to keep premiums in check, many of these plans will have significantly [limited networks](http://www.nytimes.com/2013/09/23/health/lower-health-insurance-premiums-to-come-at-cost-of-fewer-choices.html?hp&pagewanted=all) of doctors and hospitals, bringing back memories of 1990s managed care. In [Missouri](http://www.kaiserhealthnews.org/Stories/2013/September/26/narrow-insurance-network-missouri-exchange-marketplace.aspx), for instance, the Anthem BlueCross BlueShield Plans sold on the exchange will exclude one of the state’s top hospital systems, thereby denying access to the state’s primary academic medical center and its prominent children’s hospital.

Finally, the ACA most likely won’t significantly bend the overall cost curve of healthcare, mainly because it will more or less leave our existing, fragmented and inefficient system in place. According to the most [recent projections](http://content.healthaffairs.org/content/early/2013/09/13/hlthaff.2013.0721.abstract), for instance, once the economy recovers, the rate of growth of national health expenditures is expected to rebound to about 6 percent annually. This is better than in some previous years, and in an expanding economy in which growth was being distributed throughout the pay scale, might be entirely acceptable. But insofar as these rising costs continue to be passed on to the average working person – while at the same time gains in economic growth continue to accrue solely [to the most affluent](http://www.nytimes.com/2013/09/18/us/median-income-and-poverty-rate-hold-steady-census-bureau-finds.html?src=xps) among us – these rising expenses will simply translate into tighter and tighter household budgets, and therefore even more inequality.

So while what the right says about Obamacare is generally wrong, paranoid or both, and though their own proposals would clearly make things much worse, we can’t pretend that Obamacare will create universal healthcare in the sense that most of us imagine it. We won’t have, that is to say, truly comprehensive healthcare for all, with free choice of doctor and hospital, and without a “sickness tax” in the form of out-of-pocket expenses every time we become ill.

What would a system of true universal healthcare look like?  The most feasible and best-studied system for the United States is a form of national health insurance called “single payer,” in which care would be provided by the same mixture of private and public hospitals and physicians that is already in place, but in which a single entity – the government – insures everyone in the country. Medicare is one example of an existing single-payer system, but under a national single-payer system, everyone – not only the elderly – would be covered. Uninsurance would thereby be finally, and entirely, eliminated.

From a quality perspective, the evidence suggests that universal systems perform better – not worse, as is frequently alleged.  A January 2013 [report](http://www.nap.edu/catalog.php?record_id=13497) from the National Research Council, for instance, showed that the U.S. has essentially the [worst](http://theprogressivephysician.org/2013/01/20/the-health-of-nations/) health outcomes among 16 wealthy “peer nations,” despite spending about *twice* as much on healthcare.

Such a system would have other advantages as well. For instance, it would drastically reduce our massive and rising expenditure on healthcare administration, which in 1999 accounted for an estimated [31 percent of all healthcare spending in the U.S](http://www.nejm.org/doi/full/10.1056/NEJMsa022033)., as opposed to a mere 7 percent in Canada.  This difference is the predictable result of our highly complex and fragmented system of billing and insurance, which is particularly a problem of the *private* health insurance industry, which has such additional costs as product design, marketing and profits. Indeed, as much as [85 percent of excess spending](http://economix.blogs.nytimes.com/2008/11/21/why-does-us-health-care-cost-so-much-part-ii-indefensible-administrative-costs/) on “health administration and insurance” is attributable to the *private* health insurance system. How, exactly, the health insurance industry contributes to actual healthcare – putting aside its extracting role as unnecessary middleman – remains among the great mysteries of the modern age.

The potential windfall from simplifying this mess could therefore be enormous. According to one [recent study](http://thehill.com/blogs/healthwatch/medicare/314839-study-single-payer-health-care-system-would-save-billions), a single-payer system could save the federal government about $592 billion a year. These savings could be used to pay for the cost of eliminating both uninsurance and underinsurance, with everyone receiving comprehensive healthcare without onerous co-pays and deductibles every time they got sick.

Such a system might sound like a dream for some, but it’s not only a dream worth fighting for, but also one that can – with time and determination – be won. The fight for universal healthcare, it is clear, is still far from over: A new stage of that fight, in fact, has only just begun.