

Rather than stifling competition, a publicly financed healthcare system can *require* it.

Contrary to what many pundits claim, there isn't really much competition in our current healthcare system. That's because of the confusing and complex choices consumers face when making decisions on everything from surgeons to insurance.



In fact, much of the information consumers could use to make wise decisions is hidden from them.

Pricing for doctors and hospitals is under a shroud of secrecy, and different patients often pay different prices without even knowing it. There are thousands of insurance plans, and it takes often takes a lawyer to finally figure out what they will actually pay for. Billions of dollars are wasted on marketing what is basically just a way to pay for your health care.

WHAT IF WE SAVED ALL THAT MONEY AND INSTEAD SPENT IT ON ACTUAL MEDICAL CARE?

Nationwide, the insurance industry spends \$32 billion each year on marketing and figuring out the premium for each individual or group customer.¹ In 2004, Californians spent \$26 billion on private insurance administration, including health plan profits.² Health insurance premiums in California rose 61 percent from 2000 to 2004. California families pay \$1,500 more per year than the rest of the country for PPOs (preferred provider organizations).³

Yet what do we get for our money? With only 2.3 doctors for every 1,000 people, the United States ranks well below many other industrialized nations.⁴ Many doctors are already seeing 20 to 30 patients a day. More than one-third (35%) of insured adults say that their doctor has *never* explained the costs associated with a recommended procedure and another 17 percent say this has rarely happened.⁵

QUALITY IN HEALTHCARE IS DIFFICULT TO MEASURE.

Few measures of quality are publicly available, and much of the data (such as the rates of hospital acquired infections) remain hidden from public scrutiny. Most of the information available is not sufficiently detailed to allow consumers to compare quality performance at the procedure level among facilities. Unfortunately, due to lack of publicly available information, consumers are more informed about their refrigerator purchases than their health care choices.⁶ Only 7 percent of insured adults report having switched doctors to lower the amount they had to pay directly out of their own pocket.⁷

SINGLE-PAYER PROMISES GREATER ACCOUNTABILITY FOR QUALITY, SERVICE AND PRICE.

Only with greater public access to detailed, comparative quality data can consumers make truly informed health care purchasing decisions. With a publicly financed system, we can require performance transparency and introduce incentives for providers such as hospitals, doctors and specialists to assure a high value for all health care consumers.



SOURCES:

1. "Accounting for the Cost of Health Care in the United States," McKinsey Global Institute, January 2007
2. Health Affairs, November/December 2005
3. Report from John Garamendi, Insurance Commissioner, Oakland Tribune, Aug. 4, 2005
4. "Health Data 2005: How Does the United States Compare," Organization for Economic Cooperation and Development
5. "Health Care Costs Survey," USA Today/Kaiser Family Foundation/Harvard School of Public Health, August 2005
6. "High Prices, Questionable Quality," the California Health Care Coalition, April 2005
7. "Health Care Costs Survey," USA Today/Kaiser Family Foundation/Harvard School of Public Health, August 2005

