

# **FOUR INTERNATIONAL MODELS OF HEALTH CARE AND POPULATION HEALTH**

Bruce Thomson, MD  
Benton County Health Officer  
OPHA October 9, 2017

# Models of Universal Health Care

(accounts for health care in 40 out of 200 countries)

1. 1883 - Bismarck Model – Chancellor Bismarck viewed Universal Health Care as a strategy in his grand design for German unification; jointly financed by employers and employees; Modernized to include 240 different sickness funds, a multi-payer system; tight governmental regulation controls costs; (Germany, France, Belgium, Netherlands, Japan, Switzerland and Latin America)
2. 1948 - Beveridge Model – “socialized medicine” ; publicly financed through government taxes; single-payer; Doctors and medical staff are a mainly government employees with some private component; (Great Britain, Spain, New Zealand, most of Scandinavia, Hong Kong)

## Four Models (Cont'd)

3. 1968 - National Health Insurance – (NHIS) a combined Bismarck/Beveridge model; single-payer system; financed through government run insurance program (with premiums/taxes based on income); Doctors and hospitals are private (and regulated by set fees); no need for marketing, no financial incentive to deny claims; only pays for services that have a clear medical benefit (Canada; Taiwan, South Korea)

4. Out-of-Pocket Model - Found in countries too poor or too disorganized to provide any form of Universal Health Care. Health care is available to anyone who can afford to pay, as is the case for much of the world. (United States, China, India, South America)

# Health Care in the US

## fragments of all 4 models

1. American Veterans & Indian Health Service – Beveridge model
2. US (and Canadian) Medicare - NHIS Model

(1+2 = 50% of US population)

3. American workers ( 35% of pop) with job related insurance – modern German model (modified Bismarck model)
4. American Workers without job related insurance & unemployed ( 15% of population) – out-of-pocket model ( 60 million Americans)

# Health Care Rankings by Country

	Best
	Middle
	Worst



	AUS	CAN	GER	NETH	NZ	UK	US
<b>OVERALL RANKING (2010)</b>	3	6	4	1	5	2	7
Quality Care	4	7	5	2	1	3	6
Effective Care	2	7	6	3	5	1	4
Safe Care	6	5	3	1	4	2	7
Coordinated Care	4	5	7	2	1	3	6
Patient-Centered Care	2	5	3	6	1	7	4
Access	6.5	5	3	1	4	2	6.5
Cost-Related Problem	6	3.5	3.5	2	5	1	7
Timeliness of Care	6	7	2	1	3	4	5
Efficiency	2	6	5	3	4	1	7
Equity	4	5	3	1	6	2	7
Long, Healthy, Productive Lives	1	2	3	4	5	6	7
<b>Health Expenditures/Capita, 2007</b>	<b>\$3,357</b>	<b>\$3,895</b>	<b>\$3,588</b>	<b>\$3,837*</b>	<b>\$2,454</b>	<b>\$2,992</b>	<b>\$7,290</b>

Notes: \*Estimate; expenditures shown in \$US PPP (purchasing power parity)

Source: Calculated by The Commonwealth Fund based on 2007 International Health Policy Survey; 2008 International Health Policy Survey of Sicker Adults; 2009 International Health Policy Survey of Primary Care Physicians; Commonwealth Fund Commission on a High Performance Health System National Scorecard; and OECD *Health Data, 2009* (Nov. 2009)

## EXHIBIT ES-1. OVERALL RANKING

### COUNTRY RANKINGS

Top 2\*

Middle

Bottom 2\*



	AUS	CAN	FRA	GER	NETH	NZ	NOR	SWE	SWIZ	UK	US
<b>OVERALL RANKING (2013)</b>	4	10	9	5	5	7	7	3	2	1	11
<b>Quality Care</b>	2	9	8	7	5	4	11	10	3	1	5
Effective Care	4	7	9	6	5	2	11	10	8	1	3
Safe Care	3	10	2	6	7	9	11	5	4	1	7
Coordinated Care	4	8	9	10	5	2	7	11	3	1	6
Patient-Centered Care	5	8	10	7	3	6	11	9	2	1	4
<b>Access</b>	8	9	11	2	4	7	6	4	2	1	9
Cost-Related Problem	9	5	10	4	8	6	3	1	7	1	11
Timeliness of Care	6	11	10	4	2	7	8	9	1	3	5
<b>Efficiency</b>	4	10	8	9	7	3	4	2	6	1	11
<b>Equity</b>	5	9	7	4	8	10	6	1	2	2	11
<b>Healthy Lives</b>	4	8	1	7	5	9	6	2	3	10	11
<b>Health Expenditures/Capita, 2011**</b>	\$3,800	\$4,522	\$4,118	\$4,495	\$5,099	\$3,182	\$5,669	\$3,925	\$5,643	\$3,405	\$8,508

Notes: \* Includes ties. \*\* Expenditures shown in \$US PPP (purchasing power parity); Australian \$ data are from 2010.

Source: Calculated by The Commonwealth Fund based on 2011 International Health Policy Survey of Sicker Adults; 2012 International Health Policy Survey of Primary Care Physicians; 2013 International Health Policy Survey; Commonwealth Fund *National Scorecard 2011*; World Health Organization; and Organization for Economic Cooperation and Development, *OECD Health Data, 2013* (Paris: OECD, Nov. 2013).

Average  
Rank

4.83 8.67 8.41 5.92 4.92 6.0 7.16 5.67 3.5 2.0 7.83

# Infant Mortality

<http://www.oecd.org/els/health-systems/health-statistics.htm>

2017 AVERAGE FOR 39 OECD COUNTRIES = 3.9/1000 live births

United States = 5.8/1000 (was 7.6 in 1996)

Slovak Republic = 5.8/1,000 (was 10.2 in 1996)

Of the 39 countries listed only Chile (7.2), Turkey (11.1) and Mexico (12.5) exceeded the United States and Slovak Republic

OECD Organization for Economic Cooperation and Development

# LESSONS LEARNED FROM OTHER COUNTRIES



The NEW ENGLAND  
JOURNAL of MEDICINE

HOME ARTICLES & MULTIMEDIA ▾ ISSUES ▾ SPECIALTIES & TOPICS ▾ FOR AUTHORS ▾ CME >



## Perspective

### From Last to First — Could the U.S. Health Care System Become the Best in the World?

Eric C. Schneider, M.D., and David Squires, M.A.  
N Engl J Med 2017; 377:901-904 | [September 7, 2017](#) | DOI: 10.1056/NEJMp1708704

Share: [f](#) [t](#) [g+](#) [in](#) [+](#)

<b>Article</b>	References	Metrics
----------------	------------	---------

Many Americans believe that the United States has the best health care system in the world, but surprisingly little evidence supports that belief. On the contrary, since 2004, reports from the Commonwealth Fund have consistently ranked the performance of the U.S. health care system last

**AUDIO INTERVIEW**





# LESSONS (TO BE ) LEARNED

## (CONT'D)

- THE BEST PERFORMING HEALTH CARE SYSTEMS USE UNIVERSAL HEALTH CARE TO ASSURE ACCESS
- SPENDING MORE ON THE SAFETY NET CAN REDUCE DISPARITIES IN THE DELIVERY OF CARE
- STRENGTHENING PRIMARY CARE IS THE KEY TO HIGH PERFORMANCE
- STREAMLINED PAYMENT & ELECTRONIC RECORDS HELP PATIENT AND DOCTORS



# Ethical Perspectives on Health Care (in the US)

1. Health care as a human right (1948, UN Declaration of Human Rights; Article 25 declares Health Care as a Human Right, thanks to Eleanor Roosevelt's advocacy)

2. Health care as a patriotic duty (related to certain inalienable rights such as life liberty and the pursuit of happiness)

3. Health care as a public utility (similar to roads, police and fire services, safe drinking water and sewer services, water districts in rural areas)

4. Health care as social justice (similar to equality in employment, education, voting for political candidates)

## **Perspectives in the US ( cont'd)**

5. Health Care is based on the ability to pay – a commodity in the market place where private companies decide services that are covered; profit is accrued (by denying care or making it confusing and difficult to obtain care; or by having co-pays and deductibles so high that people cannot afford to go in for care).

This path has created a Health Care “industry” – a business model, complete with lobbyists, and marketing, that has fostered mergers and acquisitions of health care in the US.

# Economic Forces ( Business)

## Great Recession of 2008 (an example)

1. “Cash for Clunkers” - designed to revive American automotive industry
2. Ford, GM - open manufacturing plants in Canada

# BUSINESS

Here's one big reason they did it: Canada's government-run single-payer health system, known as Medicare – to be clear, not the same Medicare as the American health care system for senior citizens – lowers those auto companies' health care costs from more than \$15,000 per worker in the United States to just a few thousand dollars in Canada, with all Canadian taxpayers, not just employees and their employers, picking up the tab.

# **Economic Forces ( Lobbyists)**

- ▣ 2009 – 2010 Patient Protection and Affordable Care Act – 3000+ lobbyists (6/federal legislator) from American Medical Assoc., Hospital and Health Insurance industry, Pharmaceutical industry.
- ▣ Pharmaceutical Drug Pricing – This industry spends more on “marketing” ( 1000+ lobbyists and advertising) than it spends on research

# Brief History of National Health Care in the US

- **1912** – Teddy Roosevelt – endorses national health insurance – loses the election
- **1935** – Franklin Roosevelt signs Social Security Act into law
- **1944** – FDR – Calls for national health care system in his address to Congress
- **1948** – Eleanor Roosevelt advocates for National Health care through the United Nations – UN Universal Declaration of Human Rights – Article 25 – declares health care as a human right
- **1948** – Harry Truman is re-elected on a mandate to institute a single payer national health insurance system with subsidies to pay for the poor

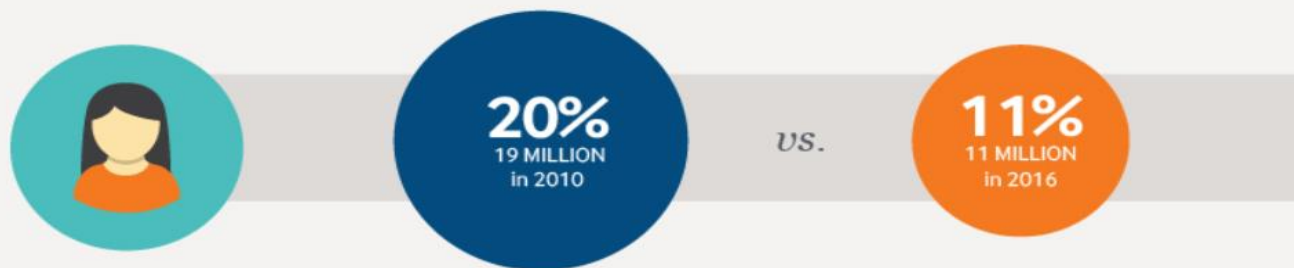


# Brief History cont'd

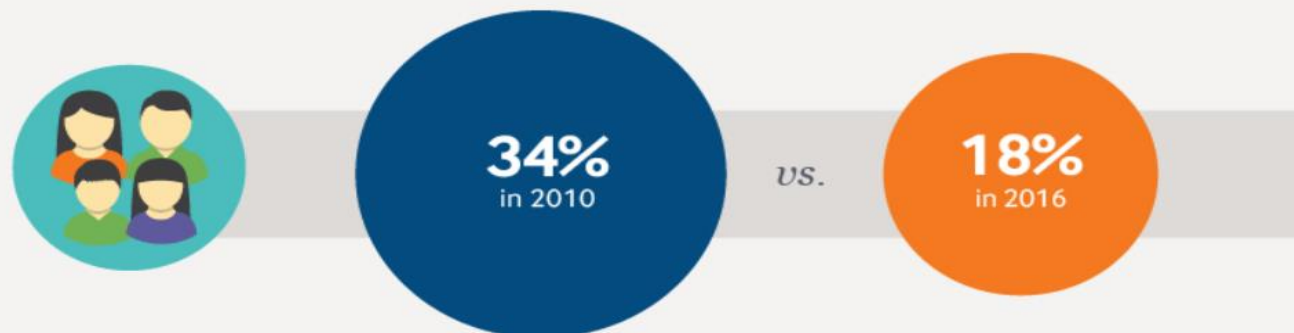
- 1954 – Revenue Act – excludes employer contributions for health plan from taxable income
- 1956 – Military “Medicare” program enacted
- 1965 – Lyndon Johnson signs Medicare Act into law and gives Harry and Betsy Truman the first signature pens – proclaims Truman as the “ real Daddy of Medicare”
- 1971 – 1990 – Various attempts from Ted Kennedy, Richard Nixon, Bill Clinton fail to pass
- 2003 – Congress passes Bush plan to create prescription drug benefit under Medicare through private plans. Law specifically restricts governmental negotiation of price. (US now pays 2-3 times more for prescriptions than other national plans).
- 2010 – Patient Protection and Affordable Care Act-

# Large Gains for Women Under the Affordable Care Act

Since the ACA took effect, the number of working-age U.S. women without health insurance has been cut nearly in half

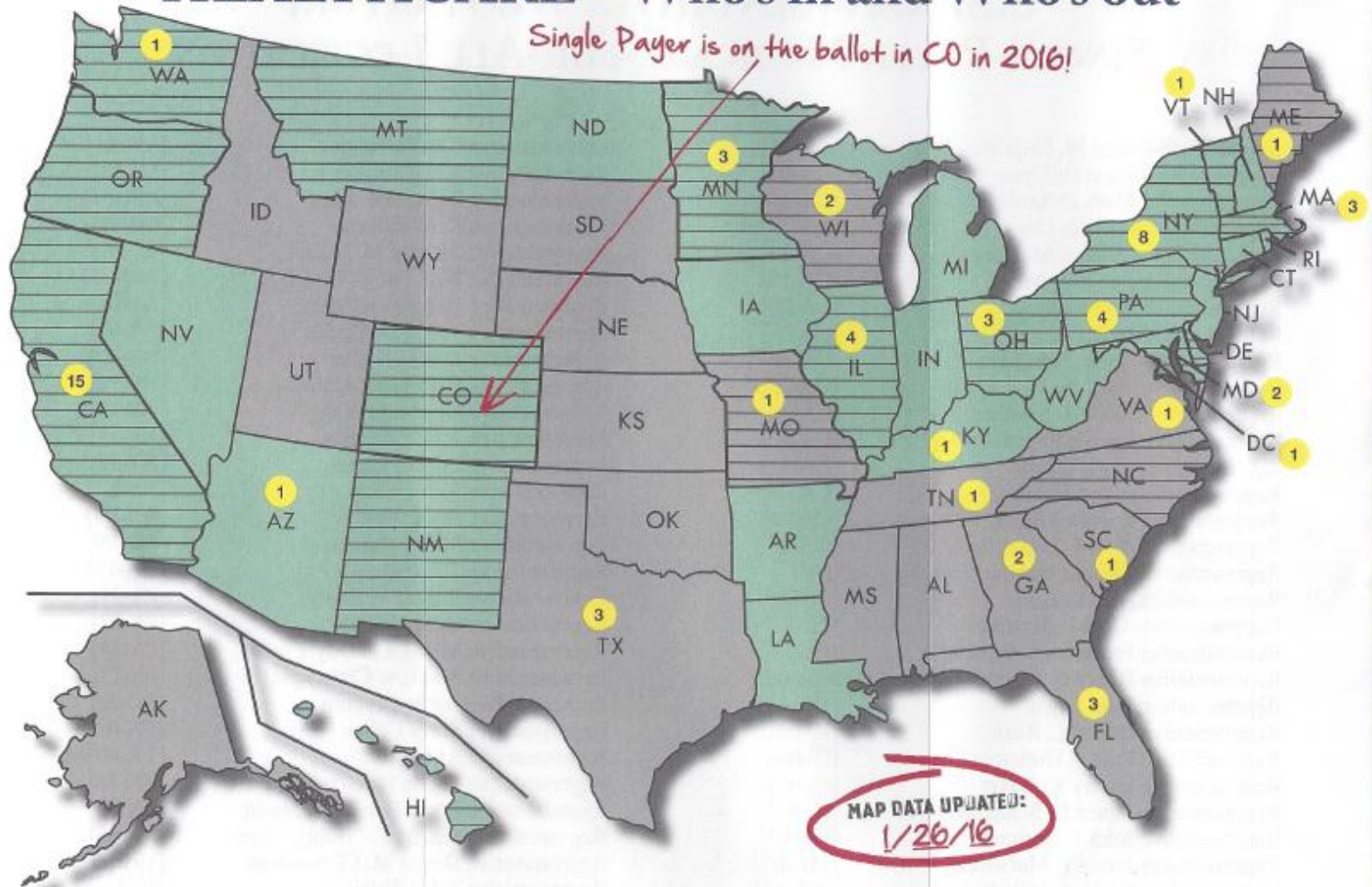


The uninsured rate among women earning less than \$48,600 for a family of four dropped even more



# HEALTHCARE – Who's in and Who's out


*Single Payer is on the ballot in CO in 2016!*




**MAP DATA UPDATED:**  
*1/26/16*

 1600 20th Street, N.W.  
Washington, DC 20009  
www.citizen.org

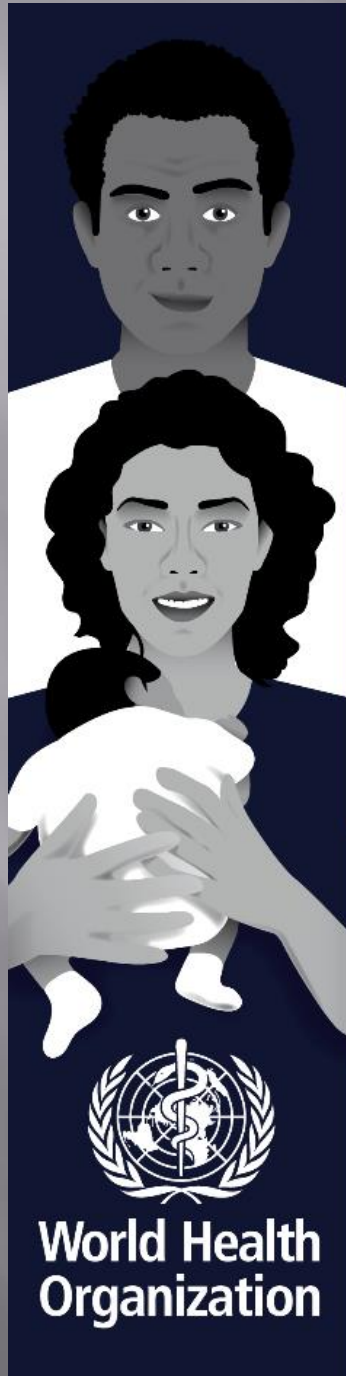
Recycled (30% Post-Consumer) Paper

 Have Not Expanded Medicaid

 Have Expanded Medicaid

 # House members currently supporting single payer.

 Single Payer State Initiatives (Legislation passed or proposed, or official studies underway)



WHAT DO YOU NEED TO GET, BE AND STAY

# HEALTHY?

CAN YOU GET HELP FROM A WELL-TRAINED HEALTH WORKER?



CAN YOU GET TREATMENT THAT HELPS YOU GET BETTER, AND IS SAFE?



CAN YOU GET THE MEDICINES AND OTHER HEALTH PRODUCTS YOU NEED?



WHO WILL PAY FOR IT?



ARE THERE POLICIES IN PLACE TO MAKE QUALITY SERVICES AVAILABLE TO EVERYONE, EVERY TIME?



DOES YOUR GOVERNMENT HAVE THE INFORMATION IT NEEDS TO MAKE THE RIGHT DECISIONS ABOUT THE WHOLE SYSTEM?



THE WORLD HEALTH ORGANIZATION IS WORKING AROUND THE WORLD SO THAT ALL PEOPLE AND COMMUNITIES RECEIVE THE QUALITY SERVICES THEY NEED, AND ARE PROTECTED FROM HEALTH THREATS, WITHOUT SUFFERING FINANCIAL HARDSHIP.

THAT'S WHAT WE CALL

# UNIVERSAL HEALTH COVERAGE

[WWW.WHO.INT/UHC](http://WWW.WHO.INT/UHC)

# RESOURCES

- [oecd.org](http://www.oecd.org/els/health-systems/health-statistics.htm) - <http://www.oecd.org/els/health-systems/health-statistics.htm>
- [commonwealthfund.org](http://commonwealthfund.org)
- Public Citizen - [www.citizen.org](http://www.citizen.org)
- [Fixithealthcare.com](http://Fixithealthcare.com) - an Industrialist view on jobs in the US
- [PNHP.org](http://PNHP.org) - Physicians for National Health Program
- TR Reid - Sick Around the World (showing at 5pm today)  
The Healing of America

Health Care: We Can Fix It <https://www.youtube.com/watch?v=yqqrmtxhyys>





# Current Efforts

SB 1046 – Health Care for All Oregon Act  
(introduced 2017)

**Now has 35 Oregon legislative sponsors**

“To ensure access to comprehensive, quality, patient centered, affordable and publicly funded health care for ALL Oregonians; to improve population health;

and to control the cost of health care for the benefit of individuals, families, business and society”



# Patient Protection and Affordable Care Act 2010 (900 pages)

## The Good

- ✓ Allows young adults to remain on their parents insurance until age 26
- ✓ Expands Medicaid – up to 133% of the FPL
- ✓ Establishes insurance exchanges – subsidies for individuals and families above 133% of the FPL
- ✓ Eliminates pre-existing conditions

# ACA (cont'd) the bad

- ✓ Negotiated agreement with major insurance companies - (600 legislators vs 3600 industry lobbyists)
- ✓ Does nothing to control costs
- ✓ Legally requires people to have health insurance or pay a penalty – sets up a subsidy for health insurance companies through unfettered increase in premiums

# Different Perspectives on Health Care Delivery

1. *Health care is a Human Right* – (Is that different from a legal right? - part of a social contract to provide health care, similar to the right to vote, the right to equal treatment in employment, education, ...).
2. *Health care is based on ability to pay* – a commodity in the market place where private companies can profit ( by denying care or making it confusing and difficult to obtain care; or by having co-pays and deductibles so high that people cannot afford to go in for services). This creates a Health Care industry designed for mergers and acquisitions.


# BUSINESS

**TORONTO—** Executives at the Ford Motor Company are dismayed that the auto maker is spending the equivalent of \$311 a vehicle for health care for its American employees, while in Canada, a half-hour drive from Ford's headquarters in Michigan, the cost is \$49.80.


---

 TWITTER

---

 GOOGLE+

---

 EMAIL

# Current Efforts ( cont'd)

HR 676 – Representative John Conyer's Medicare for All bill – Now has 119 legislative supporters.

Sander's Improved Medicare for All bill – Introduced – the Senate now has a bill to debate

# Snoopy now has health insurance



## Large Gains for Women Under the Affordable Care Act

Since the ACA took effect, the number of working-age U.S. women without health insurance has been cut nearly in half



The uninsured rate among women earning less than \$48,600 for a family of four dropped even more



Other gains have included:



Less skipped health care



Insurance market reforms such as required maternity benefits



Fewer medical bill problems

Source: M. Z. Gunja, S. B. Collins, M. M. Doty, and S. Beutel, *How the Affordable Care Act Has Helped Women Gain Insurance and Improved Their Ability to Get Health Care*, The Commonwealth Fund, August 2017.



The Commonwealth Fund