

UNRIG HEALTHCARE: Inside the System

Background:

One of the largest expenses of the federal government is the nation's healthcare system. In FY 2022, the federal government spent a total of \$1.7 Trillion on the nation's healthcare programs¹, accounting for 26% of federal spending². It is also the area relied upon by more Americans than any other, with a total of over 154 million Americans reliant on federal healthcare programs in some way, including 90 million (Medicaid and Children's Health Insurance Program³) 64 million (Medicare⁴), not including smaller programs like the Veterans Administration (VA) and global health initiatives.

These programs are bleeding cash. These health programs are responsible for 1/3rd of the federal deficit every year⁵. Unsurprisingly, this also leads to unsatisfactory health care outcomes for people served by public health programs, including a lack of access to care and lower survival rates.

Key Impacts and Statistics:

- The federal government can't afford these programs. According to an analysis by the American Action Forum, Medicare's annual cash shortfall is around \$300-400 billion per year and climbing⁶⁷, responsible for 1/3rd of the federal deficit.
- It can be really difficult for patients on medicare and medicaid to get care, because doctors don't want to deal with the administrative burden. One 2017 study (pre-pandemic) found that only 70% of doctors were accepting new medicaid patients, compared to over 90% for private insurance⁸.
- This includes access to outpatient care, and speciality care in particular. In one California study, researchers found that while 96% of offices would accept private insurance, only 41% of offices would accept medicare patients⁹.
- In the worst cases, this can lead to a difference in survival rate. Numerous studies in the early 2000s found that medicare patients had slower diagnoses, and less service providers, than private patients, leading to lower survival rates for major diseases¹⁰.
- It is worth noting that private insurance is screwed up enough that people often report as satisfactory or more satisfactory outcomes on public insurance programs as private ones^{11 12 13}.

¹ <https://www.cms.gov/files/document/highlights.pdf>

² <https://www.cbo.gov/publication/58888>

³ <https://www.medicaid.gov/medicaid-program-information/medicaid-and-chip-enrollment-data/report-highlights/index.html>

⁴ <https://usafacts.org/data/topics/people-society/social-security-and-medicare/social-security/social-security-retirement-recipients/>

⁵ <https://www.americanactionforum.org/research/the-future-of-americas-entitlements-what-you-need-to-know-about-the-medicare-and-social-security-trustees-reports-2/>

⁶ <https://www.cbo.gov/publication/58888>

⁷ <https://www.americanactionforum.org/research/the-future-of-americas-entitlements-what-you-need-to-know-about-the-medicare-and-social-security-trustees-reports-2/>

⁸ <https://www.kff.org/medicaid/issue-brief/data-note-three-findings-about-access-to-care-and-health-outcomes-in-medicaid/>

⁹ <https://www.heritage.org/health-care-reform/report/studies-show-medicaid-patients-have-worse-access-and-outcomes-the>

¹⁰ <https://www.heritage.org/health-care-reform/report/studies-show-medicaid-patients-have-worse-access-and-outcomes-the>

¹¹ <https://www.kff.org/medicaid/issue-brief/data-note-three-findings-about-access-to-care-and-health-outcomes-in-medicaid/>

¹² <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8170543/>

¹³ <https://www.commonwealthfund.org/publications/journal-article/2002/oct/medicare-vs-private-insurance-rhetoric-and-reality>

Our Policies:

The two most common proposals, from the right and left, have so far been Single-Payer Healthcare, and outright cutting Medicare spending in some way (raising the age, sequestration, etc.). Libertarians tend to go with the latter, which brings up accusations of being careless and pushing grandma off a cliff, but more importantly, it doesn't actually solve the problem of people without healthcare options or the resources to pay for them and leaves it very likely that the program will bounce back and increase spending again in the future.

Our policies take a different approach. Instead of deciding, from the top-down, what federal health programs should look like, we empower the individuals within to choose where to put their healthcare dollars, likely leading to increased options, better care, and a reduction in spending as individuals have incentives to take care of their money instead of spending healthcare dollars recklessly.

- ✓ **Create Healthcare Debit Accounts** - Instead of the Federal government and providers deciding what to do with our healthcare dollars, we empower individuals to choose the best healthcare for themselves. Each individual gets \$5,000 in federal healthcare funding per year, a bit above the average healthcare spending for a Medicare participant. They can choose to spend that money, save it, or transfer it to a family member. Similar to HSAs, they can invest those funds after they reach \$10,000. This change of incentives will lower unnecessary visits, connect patients with providers to encourage disenrollment in the system, and enable the government to reduce healthcare program spending below deficit level over time.
- ✓ **Federal Catastrophic Insurance Fund** - The Federal government will put the rest into a catastrophic insurance fund to cover the bills of the most high-cost patients. This insurance fund is adjusted to consistently cover all catastrophic costs, ensuring continual coverage for beneficiaries.
- ✓ **Spending Transparency** - The Federal government will create a new website with all health spending information - [Healthcarecosts.gov](https://healthcarecosts.gov) - where Americans can see exactly how their money is being spent, all contracts, and discussions with insurance companies or any other major provider.