

UNRIG HEALTHCARE: Outside the System

Background:

The U.S. Healthcare System is the bane of many Americans' existence. There is no other industry where customers face higher access barriers, higher costs, and more challenging payment practices than the U.S. Healthcare industry. Americans spend, on average, \$13,000 per person, per year, on healthcare expenses, over twice the cost of comparably wealthy countries like Germany, the United Kingdom, France, and Japan¹ and nearly ⅓ of their annual income on healthcare.

This problem is complicated by surprise medical billing. Since Americans are required by law to purchase health insurance (though the penalty for noncompliance has since been removed), over 90% of Americans are covered by private or public health insurance. Since insurance pays the bill first, many people who go to the doctor may not learn their portion of the bill until weeks or months later, and may be charged by an “out of network” provider at full cost. While Congress acted to stop some surprise medical billing, these bills averaging over \$600 a pop² (but an average of \$4,000 for emergency bills)³, have the potential to ruin a family's finances. This lack of pricing transparency makes it difficult for consumers to choose the right health care for them.

Potentially worst of all, increasing time spent on administrative tasks and strict regulations for compliance with Medicare and Medicaid are driving a national doctor shortage. Wait times for an appointment are now up to 26 days⁴. Primary care is especially hard-hit, with just over 200,000 total physicians⁵, only one doctor for every 1,200 people. The American Association of Medical Colleges predicts the total physician shortage will be 54,000-140,000 physicians in 10 years⁶.

Key Impacts and Statistics:

- The average American spends 1/3rd of their income on healthcare expenses, twice that of other countries.
- While it has likely gotten worse, over ⅓ of Americans simply couldn't afford health insurance. About a third (32%) of single-person households with private insurance in 2019 could not pay a \$2,000 bill, and half (51%) could not pay a \$6,000 bill⁷. **Yet the average annual premium for a single person is \$8,435, while the average annual premium for a family is \$23,968⁸.**
- Approximately 2 in 10 Americans owes medical debt, with an average debt owed of \$2,000⁹.
- 38% of Americans put off medical care due to cost in 2022, including 27% for a serious or somewhat serious condition, the highest since 2001¹⁰.

¹ <https://www.healthsystemtracker.org/chart-collection/health-spending-u-s-compare-countries/#Per%20capita%20health%20consumption%20expenditures,%20U.S.%20dollars,%20PPP%20adjusted,%202020%20and%202021>

² <https://www.ajmc.com/view/5-things-about-surprise-medical-billing>

³ <https://www.kff.org/private-insurance/issue-brief/surprise-medical-bills/>

⁴ <https://www.statnews.com/2023/05/02/doctor-appointment-wait-times-solutions/>

⁵ <https://www.ahrq.gov/research/findings/factsheets/primary/pcwork1/index.html>

⁶ <https://www.cnn.com/2019/02/15/amazon-will-pay-0-in-federal-taxes-this-year.html>

⁷ <https://time.com/6199666/physician-shortage-challenges-solutions/>

⁸ <https://www.kff.org/health-costs/press-release/1-in-10-adults-owe-medical-debt-with-millions-owing-more-than-10000/>

⁹ <https://www.kff.org/report-section/ehbs-2023-section-1-cost-of-health-insurance/>

¹⁰ <https://www.census.gov/library/stories/2021/04/who-had-medical-debt-in-united-states.html>

- Most bills are surprises as insurance companies and providers often do not provide estimates upfront unless asked. However, the average out-of-network surprise bill is over \$600, while the average surprise emergency bill is closer to \$4,000¹¹.
- Nearly two-thirds of Americans are concerned about surprise medical bills¹².
- The average wait time for a doctor's appointment is now 26 days.
- The average hospital must comply with 629 different federal regulations, and dedicated approximately 1 quarter of its staff, including doctors and nurses, to compliance¹³.
- Insurance Company Profits have skyrocketed even recently, with UnitedHealth and Molina increasing profits by over 25% and CIGNA reporting a profit increase of 70%. Overall profits are up by nearly 30% just since 2022¹⁴. Average hospital profits have ballooned by 32% just since 2017. Health insurance company profits are also massively up, increasing from below \$700 billion in 2017¹⁵ to over \$900 billion in 2021¹⁶.
- Deloitte estimates that, if the current trajectory continues, health spending will triple to nearly \$12 trillion by 2040, or 26% of the GDP¹⁷.

Our Policies:

Politicians from both parties are not unaware of our nation's healthcare crisis. In any given year, over 100 bills are filed to address or reform healthcare in some way. However, because our healthcare system doesn't put the consumer first, and instead employers, insurance companies, large healthcare conglomerates, and the federal government determine prices, payments, and services provided, few if any of these reforms will have any effect.

This system is held in place by a tangled mass of federal, state, and local regulations, subsidies, and penalties for noncompliance, resulting in an awkward, bureaucratic, and rigged system that eats Americans out of house and home, while insurance companies and healthcare providers reap record, government-protected profits.

Therefore, our policies take a holistic approach to the healthcare system. We assume that nothing except fundamental change will bring down the cost of healthcare, and therefore propose:

✓ Expand HSAs

One of the most promising policies passed in the past 20 years has been the Health Savings Account - a tax-free account where Americans can pay for their health expenses, or invest if they accumulate enough. However, currently HSAs are limited to insurance plans, and thus mostly tied to the employer. We will expand HSAs to every American and decouple them entirely from insurance to give people an opportunity to directly pay for care.

¹¹ http://www.statecoverage.org/files/NY-Unexpected_Medical_Bills-march_7_2012.pdf

¹² <https://www.ajmc.com/view/5-things-about-surprise-medical-billing>

¹³ <https://www.aha.org/guidereports/2017-11-03-regulatory-overload-report>

¹⁴ <https://www.beckerspayer.com/payer/the-house-always-wins-health-systems-face-worst-finances-in-decades-as-payers-rake-in-record-profits.html>

¹⁵ <https://www.definitivehc.com/blog/revenue-trends-at-u.s.-hospitals>

¹⁶ <https://content.naic.org/sites/default/files/2021-Annual-Health-Insurance-Industry-Analysis-Report.pdf>

¹⁷ <https://www.insiderintelligence.com/insights/healthcare-industry/>



Remove Unnecessary Regulations

The second piece of our policy is to release the clamps on our physician shortage. We will complete a review of all current healthcare regulations, similar to the Trump Administrations education department legislation review, however, there are three in particular that we want to target.

- **Eliminate Non-Health & Safety Conditions of Participation**

Conditions of Participation¹⁸ are the regulations that govern providers who decide to accept medicare and medicaid. These regulations are incredibly broad, with some dictating how many nurses must be in a particular room during a procedure, and others outlining the composition of the medical staff¹⁹. These conditions are applied with a continually monitored point system, the Merit Based Incentive Payment System (MIPS)²⁰, enabling medicare and medicaid officials to reduce or increase payments based on the conditions being met and effectively allows federal officials to implement more bureaucracy almost instantaneously. Removing all CoP not conforming with worker and patient safety regulations already in other industries or in state law will massively reduce the regulatory burden on providers.

- **Eliminate EHR Certification Requirements** Current regulations require medicare and medicaid participating providers to have certified Electronic Health Record systems to gather all of the data demanded by federal officials. However, this is a significant part of physician burnout and lack of available resources. A December 2016 study in Annals of Internal Medicine found that physicians in outpatient settings spent about 27% of their day on direct clinical face time with patients, but 49% on EHRs and desk work. Many also worked up to two hours every evening on EHR-related tasks²¹. Removing the requirement for EHR developers to participate in the “voluntary” certification process²² will enable electronic record systems that work efficiently for doctors and patients.

- **Permanently eliminate restrictions on telehealth**

Telehealth is not supported by existing law, but during the COVID-19 pandemic the President issued several executive orders temporarily authorizing telehealth in the US. When these orders expire, the Drug Enforcement Agency, among others, is expected to take over the rulemaking. However, the proposed rules roll back much of the freedom authorized by temporary order. For example, the DEA would rollback the ability to receive certain prescriptions online²³. Protecting telehealth by eliminating any current or proposed restrictions on the service is one huge way to ensure healthcare services are available for Americans.



Price Transparency

Once all Americans have the ability to spend their healthcare dollars where they choose, and regulations have been removed to allow for new providers, pricing must be available so people can make the best choices. Existing law required hospitals to post their prices online, but the majority of them are ignoring the law. We will direct the Department of Justice to open cases against any hospital that is currently flouting the requirements and ensure prices are made available online.

¹⁸ <https://www.cms.gov/medicare/health-safety-standards/conditions-coverage-participation>

¹⁹ <https://www.ecfr.gov/current/title-42/chapter-IV/subchapter-G/part-482/subpart-B/section-482.12>

²⁰ <https://www.ama-assn.org/system/files/medicare-basics-mips.pdf>

²¹ <https://www.medicaleconomics.com/view/top-challenges-2021-1-administrative-burdens-and-paperwork>

²² <https://www.healthit.gov/sites/default/files/pdf/fact-sheets/ehr-certification-program.pdf>

²³ <https://www.pewtrusts.org/en/research-and-analysis/articles/2023/09/14/the-temporary-federal-rule-on-telehealth-treatment-explained>