

# FIGHTING COVID-19:

The Pandemic Threat,  
the U.S. Response,  
and a Single Payer Response

Brought to you by:

The Illinois Single-Payer Coalition (ISPC)

With contributions from:

Physicians for a National Health Program (PNHP)



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# How to evaluate U.S. healthcare's response to COVID-19?

- Outcomes & inequities
- Hospitals
- Nursing homes
- Health insurance

# Outcomes & Inequities

# COVID-19: Highly Contagious and Deadly

- **Spreads Extremely Rapidly**

March 1	75 cases in the U.S.
May 1	1,131,000 cases
Nov 18	11,697,469 cases

- **Deadly**

March 1	1 death in the U.S.
May 1	65,753 deaths
Nov 18	254,291 deaths

# U.S. Epicenter of World Pandemic

	<b>Cases</b>	<b>Deaths</b>	<b>Recovered</b>
<b>U.S. Cases</b>	<b>11,697,469</b>	<b>254,291</b>	<b>7,089,085</b>
<b>World Cases</b>	<b>56,083,222</b>	<b>1,346,395</b>	<b>39,087,314</b>
<b>Percent US</b>	<b>21%</b>	<b>19%</b>	<b>18%</b>

# U.S. Epicenter of World Pandemic

**Countries “Beating COVID-19”**

Cambodia, Iceland, Malaysia, Somalia,  
Taiwan

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**Countries that are “nearly there”**

Afghanistan, Cameroon, Egypt, Italy,  
Singapore

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**Countries that need to “take action”**

U.S., Sweden, Russia, Philippines, Brazil,  
Mexico, India, Indonesia

# Inequities in outcomes in the U.S.

**Black people across Illinois are dying from COVID-19 at 3.4 times the rate of the white population**

**THE CHICAGO  
REPORTER**

*Investigating Race & Poverty Since 1972*

April 7, 2020

**In Illinois, Latinos have highest cases of coronavirus, and officials worry about a spike in deaths**

 **NEWS**

May 7, 2020



# Hospitals

# The Hospital Hierarchy

- **Hospitals in the U.S. fall into roughly three categories:**
  - **Public hospitals – serve mostly low-income communities**
  - **Private “safety-net” hospitals – also typically serve low-income communities**
  - **Large private, well-financed hospital networks often affiliated with universities**
  
- **Great financial disparities exist between the levels because of different levels of reimbursement**

# The Hospital Hierarchy

- Different insurers reimburse at different levels
  - Medicaid pays the lowest
  - Medicare pays more
  - Private insurance pays the most
- Hospitals try to optimize their 'payer mix'
  - Look for ways to attract wealthier, private insurance patients
- Meanwhile, community and public hospitals have far more uninsured and Medicaid patients.



Mount Sinai, New York. M, K, Yee.



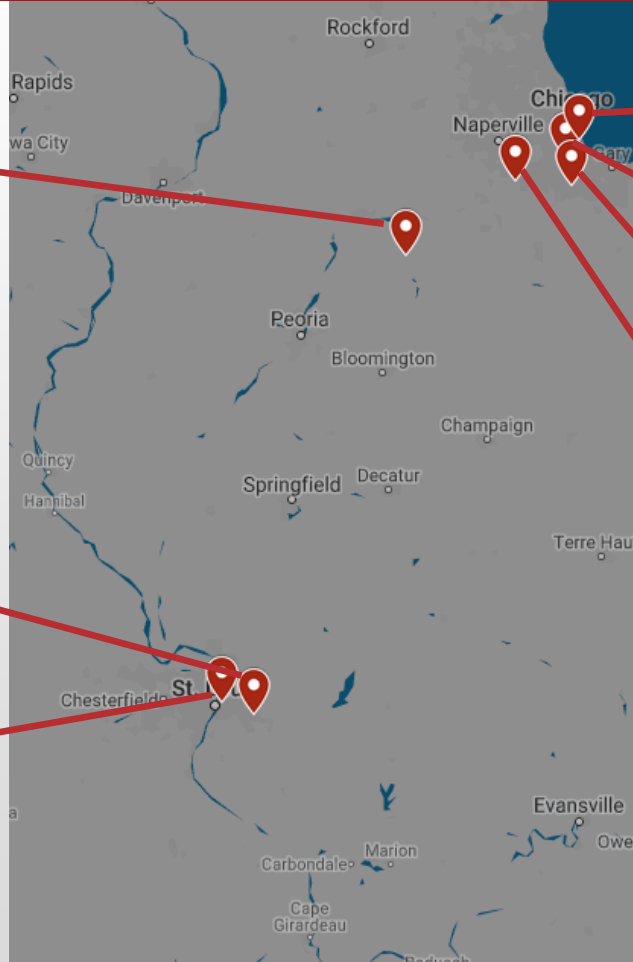
NorthShore Evanston Hospital

# Community and rural hospitals are closing...

St Mary's Hospital, Streator, 2015

St Elizabeth's, Belleville, 2015  
moved 7 miles NE to wealthier city O'Fallon

Kenneth Hall, East St Louis, 2011  
served the uninsured  
(4x more than the ntnl avg)



Jackson Park Hospital, Chicago, 2019  
closed its labor & delivery unit

MetroSouth, Blue Island, 2019  
40% of patients on Medicaid

Franciscan, Chicago Heights, 2018  
moved 5 miles west to wealthier Olympia Fields

Silver Cross, Joliet, 2012  
moved 3 miles N to wealthier city New Lenox

Note: This is not a complete list of hospital closures in Illinois.

# And the pandemic is making it worse...

- Most non-emergency, non-COVID services were suspended
- As a result, hospitals are losing \$1 billion every day
  - During a pandemic!!
- 258 hospitals have furloughed workers\*
  - Again, during a PANDEMIC!!

HealthAffairs

The COVID-19 Pandemic And Rural Hospitals  
–Adding Insult To Injury

# Hospitals keep supplies low

- Over the past couple decades, hospitals started implementing “just-in-time purchasing” ...
  - Keep minimal supplies on hand to reduce costs (and promote the bottom line)
  - In 2014, Mercy hospital (Chicago) lowered its inventory by 50%
- Leaving us vulnerable in times of crisis.

## Just-in-Time Inventories Make U.S. Vulnerable in a Pandemic

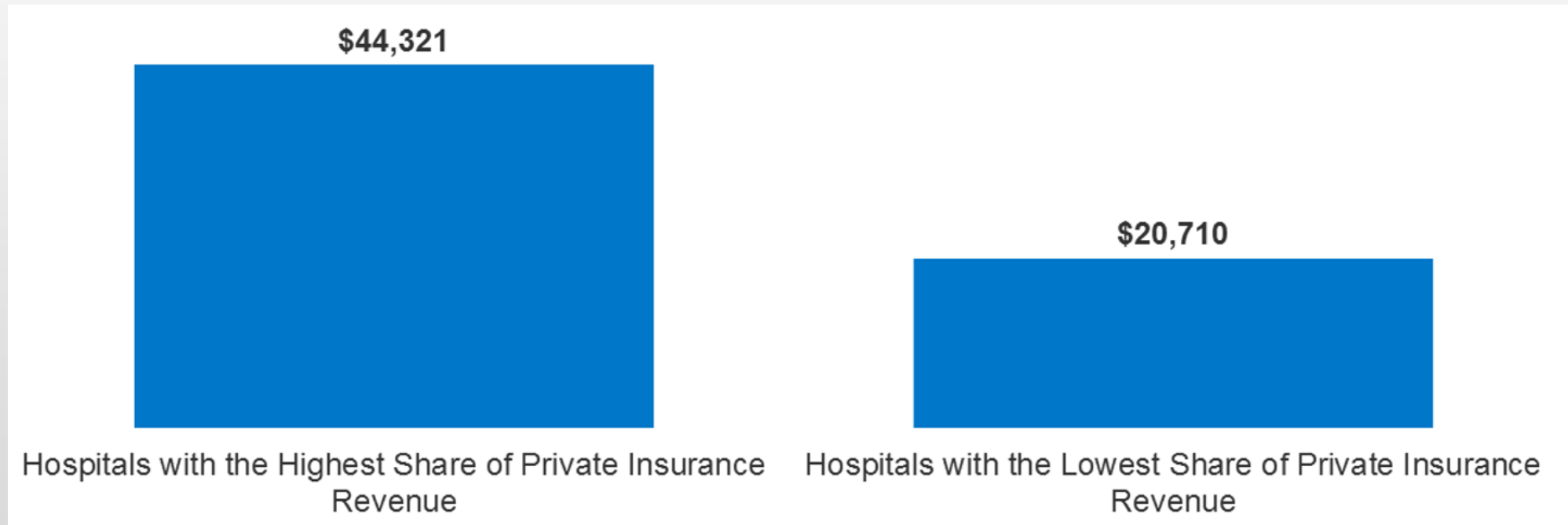
Low Stockpiles at Hospitals Boost Efficiency but Leave No Extras for Flu Outbreak

*By Bernard Wysocki Jr. and Sarah Lueck* Staff Reporters of *THE WALL STREET JOURNAL*

Updated Jan. 12, 2006 12:01 am ET

# Harmful Competition

Relief funds per hospital bed for hospitals with the highest and lowest share of private insurance revenue.



# Nursing homes



# Long-term Care

- Funded through Medicaid
- There are complex, confusing eligibility requirements for Medicaid
- Coverage for home services are delayed, inconsistent, and often insufficient
- Funds long-term care in institutions (i.e. nursing homes)



As such, many seniors and people with disabilities are forced into nursing homes

# Profits from nursing homes

- Despite Medicaid's low reimbursement rate, nursing home owners still make a profit
  - 70% of nursing homes are for-profit
  - 11% of nursing homes are owned by private equity firms
  
- After being bought by private equity firms, it's been found that nursing homes...
  - Have significant cuts to staffing, and
  - An increase in bedsores, unnecessary drug provision, and resident rights violations

# High death rate in nursing homes

- Nursing homes account for **53%** of **COVID-19** deaths in IL
- Meadowbrook Manor of Bolingbrook
  - 188 cases, 41 deaths
- Charleston Rehab and Healthcare
  - 95 cases, 17 deaths
- 728 Illinois long-term care facilities have "open" outbreaks, or new cases reported within the past 28 days.

# Why such a high death rate?

- Yes, older and sicker population
- BUT most nursing homes are **extremely** under resourced and poorly managed

From Christopher Brown, who is a Certified Nursing Assistant in Chicago.



# Why such a high death rate?

- Most nursing homes are **extremely** under resourced and poorly managed

Limited PPE	“We are given one mask for the week.” – Kenya Hooper, Bria of Forest Edge
Poor staffing	<ul style="list-style-type: none"><li>• 90% of nursing homes are understaffed</li><li>• Average staffing ratios in IL 33 patients to every nurse 17 patients to every nursing assistant</li></ul>
Poor infection control	Many nursing homes without any infection control plan!
Crowded Facilities	<ul style="list-style-type: none"><li>• Up to 4 patients in a room</li><li>• Both patients with and without COVID-19 in the same room</li></ul>

# Insurance

# Millions Have Lost Health Insurance

- Millions have lost their job
- Millions have lost their health insurance
- If you lose your insurance and get sick, what do you do?

Go to the hospital and risk thousands of dollars in medical bills?

**OR**

Or stay at home hoping you can beat the infection on your own?

# Millions are still underinsured

- They have large out-of-pocket expenses when they use healthcare
- Essential jobs are more commonly low-income
  - Meaning those with essential jobs have limited savings and have to keep working to sustain income
  - Many essential jobs do not have paid sick leave
- If you get sick and don't have paid sick time, what do you do?

Go to the doctor and get a bill you can't afford?

**OR**

Or keep going to work and potentially spread the virus to coworkers, customers, or patients?



# Medical Bills during COVID-19

<b>Without Insurance</b>	<p><u>Danni Askini</u> Unenrolled in Medicaid because her husband got a new job (<i>and you must do that by law</i>). She got COVID-19 at the exact moment she was uninsured. Now she owes \$35,000. Video <a href="#">here</a>.</p>
<b>With Insurance</b>	<p><u>Anne Bakjian, 40</u> Survived COVID-19 after a 2-week hospitalization. Weeks later she received a \$48,000 bill. Her insurer said her care hadn't been pre-approved.</p>
	<p><u>Nursing home employee in Washington state</u> After being promised testing would be free, she received a \$578 bill. Her insurer had covered \$7.</p>

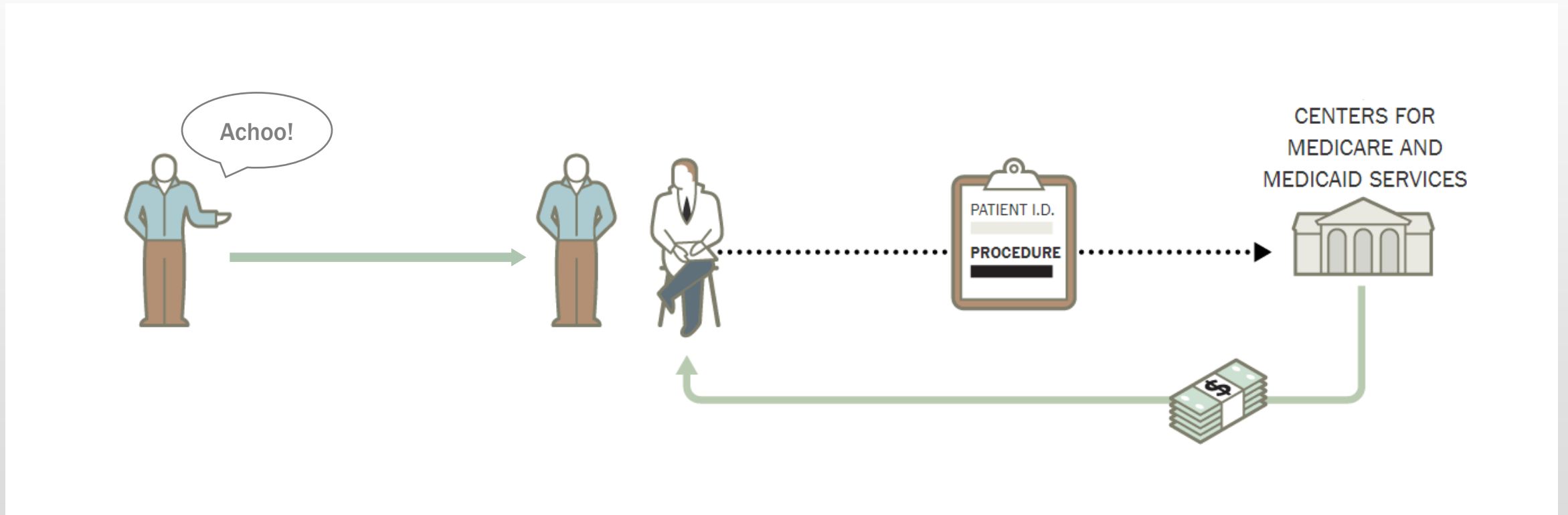
# Our Solution: Single Payer

AKA - IMPROVED MEDICARE FOR ALL

# What is Single Payer?

- Covers everyone, from birth to death
- Comprehensive coverage, including payments to medical, preventive, dental, vision, hearing, long-term care, prescriptions, mental health, reproductive care
- No cost-sharing (i.e. no co-payments, no premiums, no deductibles)
- Paid for by one national payer, but care still provided by private institutions

# Single Payer: How it Works



# Single Payer & COVID-19

# Outcomes

- SP will prevent the discrimination by income and wealth
- There will be a focus on preventive and proactive health

From Dr Anna Stratis, who has worked in Canadian and U.S. health systems. Currently on the front lines in NYC.



# Outcomes

## Racial Disparities Nearly Disappear with Universal Healthcare

**Dialysis**

**Blacks live longer than whites**

**VA System**

**Blacks live longer than whites**

**Age 65+**

**Mortality rates quickly match across races**

Dialysis: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2601720/> Accessed Sept 30 2017

VA: <http://www.latimes.com/science/sciencenow/la-sci-sn-health-racial-disparities-va-20150922-story.html>

DOI: 10.1161/CIRCULATIONAHA.114.015124; Kovesdy, Norris, Boulware, et. al, Circulation, Sept 18, 2015

Medicare:Thielke, Stephen, et al. J Pers Med 2015;5(4):440-451 doi: 10.3390/jpm5040440 Accessed Oct. 4, 2017



# Hospitals

- No more hospital hierarchy
  - One standard of equal pay to all providers
  
- Hospitals and physician groups would be paid by global budgets (lump sums on a regular basis)
  - No wasteful itemized billing
  - Funds are available during a crisis



# Single payer funds long-term care

- **Eliminates complex, wasteful, and cruel eligibility requirements**
- **Home care emphasized over institutional care.**
  - Home care results in safer, higher quality care.
  - Certainly safer in a pandemic!
- **Nursing homes would no longer be for-profit**

# Insurance

## Under Single Payer....

- **Comprehensive coverage for everyone without reference to age, job, union affiliation, marital status, or income level.**
- **Coverage continues during pandemic shutdowns**
  - No need for emergency government action
- **Eliminates huge up-front costs of premiums, deductibles co-pays and co-insurance.**
  - Peace of mind, reduced stress

# In summary...

- Single payer can't legislate a mass shutdown
- But it can coordinate and fund mass efforts needed to contain and treat a pandemic, including PPE, testing, and treatment

Nurses who have died in the U.S.	88
Nurses who have died in Canada	0

As of 5/8/2020

Deaths in S Korea & the U.S. in mid-March	~90
Deaths in U.S. as of Nov 20 <sup>th</sup>	~258,000
Deaths in S Korea as of Nov 20 <sup>th</sup>	501

## What has South Korea's single-payer system done?

- Opened 600 testing centers within days of first outbreak
- Multiple daily check-ins with those who are sick at home
- Daily press briefings from public health officials

# Who would oppose Medicare for All? And why?



BlueCross BlueShield



UnitedHealthcare®



American Hospital Association™

*Advancing Health in America*



**MERCK**



# What's their argument?

Video from Partnership for American's Health Care Future



# How are insurance companies doing during COVID?

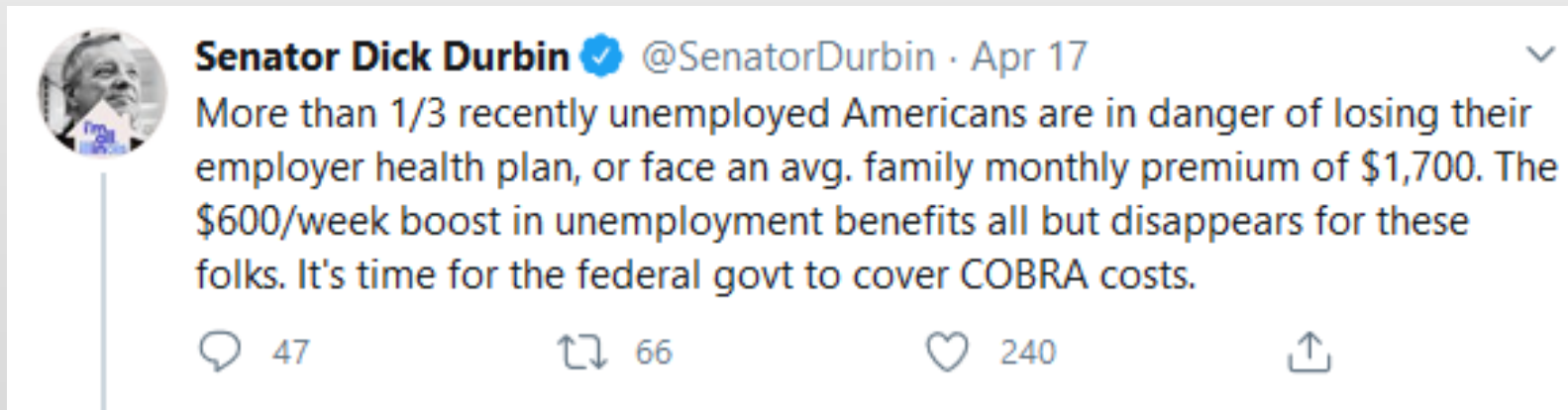
- In their shareholder meetings, almost all insurance companies report meeting or exceeding pre-COVID-19 projections.
  - Due to the decrease of non-COVID-19-related health services
  
- But insurance companies told Congress they are....
  - “bracing for an extraordinary increase in costs related to treating patients with COVID-19 infections.”

# How are insurance companies doing during COVID?

- Insurance companies are lobbying Congress for more money.
- They asked Congress on April 9 to...
  - Open up ACA exchanges & increase financial assistance
  - Risk mitigation for Medicare Advantage & Medicaid Managed plans (i.e. private plans paid by public money)
  - Subsidize COBRA premiums
- What do these have in common?

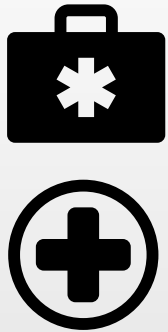
# Our Senators

- Receive \$\$\$ from insurance & pharmaceutical companies, 2011-2016
    - Senator Durbin at least \$235,000
    - Senator Duckworth at least \$107,000
- Excludes any contributions from hospitals, HMOs, lobbyists, and undisclosed sources
- Senator Durbin is leading the fight for the Senate to subsidize COBRA

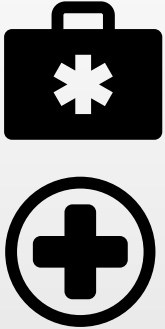




# What does this look like?



# What would single payer do?



# ***Thank You!***

**~The Illinois Single-Payer Coalition  
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