



HEALTHCARE CRISIS

Henderson County
North Carolina

Our self-inflicted healthcare emergency

Concerns about limited access to affordable health insurance have led Democratic presidential candidates to consider options for universal healthcare. And for good reason: the U.S. is the only developed nation that does not offer its citizens universal healthcare. While our exorbitantly expensive delivery system fails to deliver consistently outstanding healthcare, decades of experience show that universal healthcare actually lowers cost and improves national health, economic growth and child development. Expanding Medicaid could serve as a bridge to universal care, but North Carolina and 13 other states continue to reject the experience of other states – including many Republican-led states - by rejecting expansion.

Rich nation, poor health

The U.S. spends vastly more on healthcare per capita than every other developed nation, and yet we cover only a portion of our population:

Per Capita Spending - Healthcare (OECD – 2017, PPP)
#1 = U.S. \$10,209 OECD Average = \$3,992

Per Capita Spending - Pharmaceuticals (OECD – 2016, PPP)
#1 = U.S. \$1,208 OECD Average = \$576

% Of GDP Spent on Healthcare (OECD – 2017)
#1 = U.S. - 18% France – 11%

Despite our lavish spending, the U.S. is below average on many health measures:

Overall Health System Ranking (WHO - 2018)
#37 = U.S. #1 = France

Infant Mortality Rate, per 1,000 (OECD – 2017)
US = 5.7 France – 3.5

Life Expectancy at Birth, Total Pop. (OECD – 2015)
U.S. 78.7 years OECD Average = 80.8 years



* OECD = Organization for Economic Co-Operation and Development. Members include high-income developed nations and some middle-income developing countries. WHO = World Health Organization.

Worse in the South

The Affordable Care Act (ACA or “Obamacare”) extended Medicaid to nearly everyone with income below 138% of the poverty line. Since the Supreme Court decision leaving Medicaid expansion to the states, 14 states including North Carolina have refused. This creates a “coverage gap” for those earning too much for Medicaid, but too little for ACA insurance subsidies or private insurance:

9 of the 14 non-expansion states are in the South. Together, they account for over 90% of the coverage gap population.

Southern states account for 9 of the nation’s 10 worst states ranked on “Overall Health.”

Roughly 600,000 North Carolinians lack health insurance due to the coverage gap. In 2019, North Carolina ranked #37 on Overall Health.

Healthcare Crisis



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Responsibility for our poor national healthcare performance lies with an inefficient patchwork of public and private insurance programs that spend lavishly but ignore millions of families. While the majority of Americans have health insurance, **28 million of us lack coverage** and millions more have inadequate coverage. This weak prevention and treatment system breeds chronic illness and untreated mental health and addiction disorders, wasting far too many lives with needless unemployment, personal bankruptcy and family tragedy.

The cost of expanding Medicaid

Expansion in other states shows positive results: improving the health of beneficiaries, raising investment available for hospitals and clinics, lowering premiums for private insurance and providing savings to offset the cost of Medicaid expansion. Many of these states expanded their Medicaid programs under Republican administrations:

Montana ended FY2017 with a \$700K surplus.

Arkansas and Kentucky gained enough offsets in the first two years to cover expansion costs thru FY2021.

Michigan discovered that new economic activity associated with expansion created 30,000 new jobs and added \$150 million to state revenue for FY 2019 – FY2021.

For **North Carolina**, the anticipated benefits of Medicaid expansion include:

- Health insurance for 600,000 North Carolinians trapped in the “coverage gap.”
- \$4 billion infusion to the state economy, bringing thousands of new jobs.
- Lower insurance premiums for private plans as Medicaid covers previously unreimbursed care.
- An opportunity to reopen rural hospitals – including 3 in WNC – with proceeds from Medicaid payments.
- Return to North Carolina of some portion of the \$1+ billion we already contribute to Medicaid expansion.

Republican Governors on Medicaid Expansion

“There’s no doubt it’s been helpful. We’ve been able to do it to date without a single New Hampshire taxpayer dollar. No state taxes go into it.” New Hampshire Governor John Sununu, 2017

“Thank God we expanded Medicaid.” Ohio Governor John Kasich, 2018

“I hope they carefully look at the success we’ve had in Michigan.” Michigan Governor Rick Snyder, 2017

Sources:

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