

Reversing Inequality—Healthcare Justice is a UU Value

The Reinforcing Nature of Healthcare Costs and Income Disparities on Inequality

The defining characteristic of rising inequality over the past 40 years is that income for Americans in the bottom half of the nation's income distribution has been flat or declining, while income has continued to rise for the top 20% of the population. And as the standard of living has simultaneously increased for all Americans irrespective of income, rising medical costs have been a key driver of growing inequality and economic disparities. Rising health care spending—both on premiums and out-of-pocket costs—totally erased wage gains for a typical family from 1999 to 2009.¹

When medical costs rose sharply in the 1990s, many Americans were forced by their employers to pay a larger share of their insurance costs. This led to some low-income and working class families foregoing insurance altogether, or making difficult choices between healthcare and other critical needs. As higher-paying manufacturing jobs with generous medical benefits have been replaced by lower-paying jobs lacking health insurance and other benefits, the economic pressures on workers and families have become further accentuated.

Conversely, being in good health and having a healthy family is clearly important to individual productivity and optimal growth: it results in fewer sick days, higher productivity, less disability, less likelihood of losing a job. Multiple studies have shown a strong correlation between higher incomes and both more access to healthcare and better health outcomes (life expectancy, infant mortality, etc.). When healthcare is expensive poor families do not get critical preventative care, often seeing the doctor only when conditions have become difficult and expensive to treat. Medical-related bankruptcies have soared: since the early 2000s, the share of bankruptcies due to medical causes increased by 50%, and medical causes were by far the largest cause of personal bankruptcy.² In short, lacking affordable healthcare is a major obstacle to economic success and upward mobility.

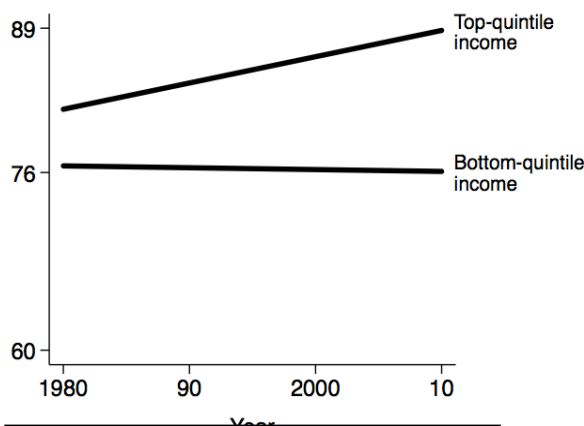


Figure 1. Life Expectancy by Income, United States; Life Expectancy for Males at Age 50.

Impact of Growing Healthcare Costs & Income Gaps in the U.S.

- *Rising health care spending—both on premiums and out-of-pocket costs—totally erased wage gains for a typical family from 1999 to 2009.*
- *By 2012, the top income quintile was getting 40% more healthcare than the bottom income quintile, and the wealthiest American men were living an average of 15 years longer than the poorest.*
- *Medical-related bankruptcies have also soared, and by the early 2000s, the share of bankruptcies due to medical causes increased by 50% thus becoming the largest cause of personal bankruptcy.*

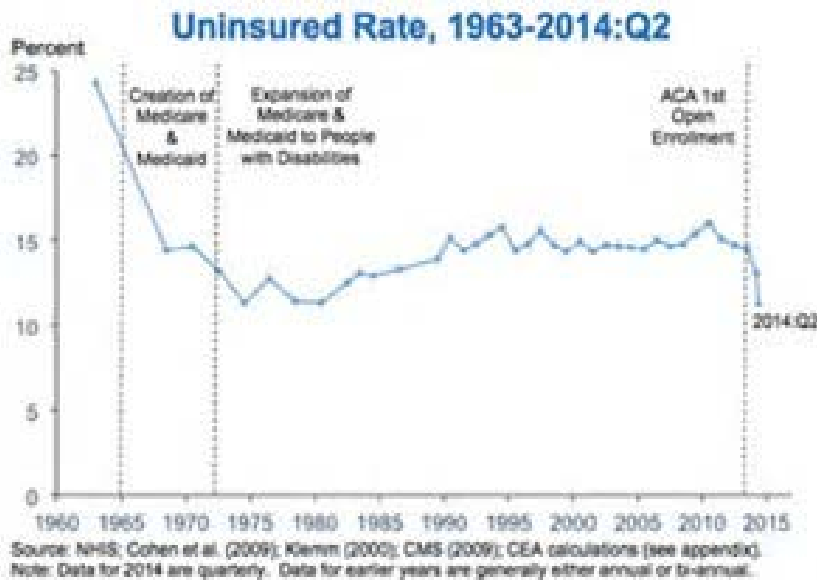
Understanding this challenge, the U.S. made great strides to level the playing field 50 years ago with the expansion of Medicare and establishment of Medicaid. Prior to the 1960s, the bottom economic quintile received half as much healthcare as the top quintile, but by 1977 the bottom quintile was actually receiving 17% MORE healthcare. Then as overall economic inequality rose again, beginning in the late 1970s, these gains were reversed. By 2012, the top income quintile was getting 40% more healthcare than the bottom income quintile, and the wealthiest American men were living an average of 15 years longer than the poorest.³

¹ <http://www.commonwealthfund.org/publications/blog/2014/sep/do-health-costs-fuel-inequality>.

² [http://www.amjmed.com/article/S0002-9343\(09\)00404-5/abstract](http://www.amjmed.com/article/S0002-9343(09)00404-5/abstract).

³ <http://content.healthaffairs.org/content/35/7/1189.abstract>. Also see Ronald Lee et al, The Growing Gap in Life Expectancy by Income, National Academies Press, 2015, figure 3-2.

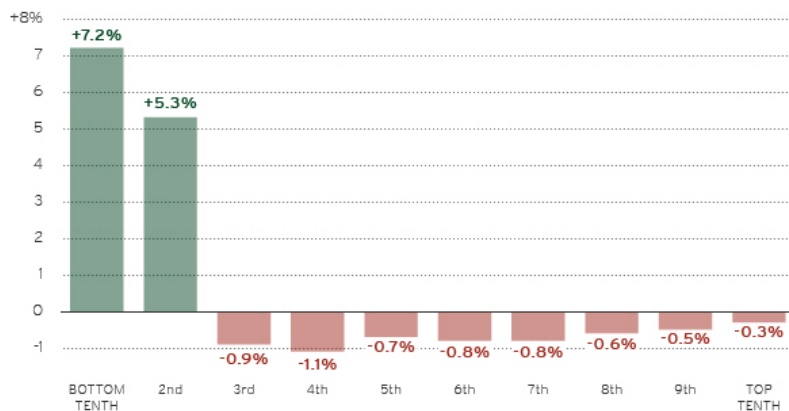
Closing the Gap on Inequality: Impact of the Affordable Care Act



Our healthcare system has become a major contributor to the economic cause of inequality. The Affordable Care Act was the first major federal healthcare reform package enacted since the 1960s that has attempted to address this inequality by significantly expanding healthcare coverage to the previously uninsured. By 2015, the uninsured rate in America was at a historical low, subsidizing this in part with a tax on the wealthiest 1% of taxpayers. A 2014 Brookings study showed that once fully implemented, the ACA would result in an income boost of 5% for the poorest 20% of the population. Through increasing access to healthcare coverage and boosting income for the economically vulnerable, ACA has begun to tackle the pervasive inequality in America.

The Affordable Care Act will improve the incomes of Americans in the bottom two-tenths of the income distribution

Change in average income under the Affordable Care Act, by income decile



Learn more at brookings.edu/aca-income

Assuring Access to Comprehensive Quality Healthcare for ALL Americans is Key to Upward Mobility

Upward mobility is affected by many things, but it is lower in countries (Canada, Denmark, and France, for example) that have national healthcare systems offering affordable coverage to all citizens. Additionally, these countries also tend to rank among the highest in terms of narrowing the inequality gap, as measured by the World Bank and World Health Organization.⁴ These systems ensure that even the poorest citizens can get quality coverage, and not be held back by expensive health insurance or by the threat of health-related bankruptcy. Children are more likely to get early interventions to treat chronic illnesses and learning disabilities that prevent success in school. Businesses can count on healthy workers, and are not saddled with the burden of offering

⁴ <http://stats.oecd.org/index.aspx?queryid=46189>.

complicated insurance plans. Workers, in turn, can more easily change jobs without fear of losing coverage.

Access to affordable, quality healthcare is a fundamental human right, the cornerstone of an equitable society and essential to achieving the American dream.

Committing to Responsible Healthcare Reform is a Moral Imperative.

As part of the Unitarian Universalist community, we are guided by a belief that access to affordable, comprehensive quality healthcare is a fundamental human right, and steps to strengthen our healthcare system must be predicated on a moral imperative to assure that any reforms are directly correlated to promoting the upward economic mobility of our most vulnerable populations. Any effort to reform our national healthcare system must increase access to coverage, enhance quality in available care, and assure affordability for all consumers.

Any comprehensive healthcare reform package must include, at a minimum, the following elements:

**Increase
Access to
Coverage**

- Provides the same essential benefits and health services required of insurance options in recent years.
- Prevents discrimination against people with pre-existing conditions, women, the elderly, and people living in poverty.
- Allows for continued expansion of Medicaid to better serve vulnerable populations.

**Enhance
Quality in Care**

- Provides adequate assistance for people enrolling in health insurance on how to use their coverage and navigate the health care system.
- Assures improvements in care through increased choices, consumer engagement, and medical innovation.
- Does not undercut the structure of Medicaid, CHIP or Medicare funding and service delivery, which would result in endangering the health of low-income children and families, older adults, and individuals living with disabilities.

**Assure
Affordability
for All
Consumers**

- Ensures affordable insurance premiums and cost-sharing for all.
- Eliminate annual or lifetime caps on expenditures.
- Ensures reasonable revenue is in the federal budget to pay for life-sustaining health care for all.