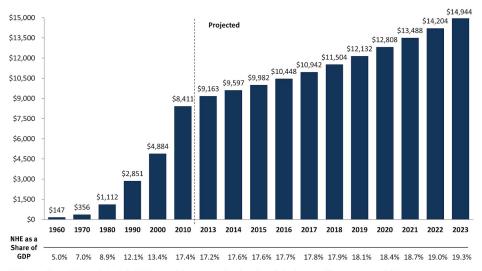**2017 IPO POLICY BACKGROUNDER AND PLATFORM POSITION ON HEALTH CARE**

For nearly 60 years, the inflationary costs of health care have risen at more than 1.5 times the rate of overall inflation.[1] From 1960 to 2015, health care expenditures have increased from 5 percent of GDP to 17.8 percent of GDP.[2] Health care now accounts for approximately 19 percent our nation's Gross Domestic Product[3].

Medical expenses are the single biggest cause of bankruptcies in the United States[4]. Disability related to illness, including mental illness and addiction, are leading causes of homelessness for single adults, while loss of income and unreimbursed medical expenses are leading causes of homelessness for families. And, for many Americans, medical expenses will eventually eat up all or most of the assets of the family.

National Health Expenditures per Capita, 1960-2023

	1960	1970	1980	1990	2000	2010	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
NHE per capita	$147	$356	$1,112	$2,851	$4,884	$8,411	$9,163	$9,597	$9,982	$10,448	$10,942	$11,504	$12,132	$12,808	$13,488	$14,204	$14,944
NHE as a Share of GDP	5.0%	7.0%	8.9%	12.1%	13.4%	17.4%	17.2%	17.6%	17.6%	17.7%	17.8%	17.9%	18.1%	18.4%	18.7%	19.0%	19.3%

NOTE: According to CMS, population is the U.S. Bureau of the Census resident-based population, less armed forces overseas and their dependents.

SOURCE: Kaiser Family Foundation calculations using NHE data from Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group, at http://www.cms.hhs.gov/NationalHealthExpendData/ (For 1960-2010 data, see Historical; National Health Expenditures by type of service and source of funds, CY 1960-2012; file nhe2012.zip. For 2013-2023 data, see Projected; NHE Historical and projections, 1965-2023, file nhe65-23.zip).

It is clear, that from the standpoint of the average American, health care has gotten appreciably worse in terms of expense over the last 65 years and that for many Americans the failure of our country to provide a minimum level of affordable health care for every American is having

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[1] https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/Downloads/HistoricalNHEPaper.pdf (page 4)

[2] https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/Downloads/HistoricalNHEPaper.pdf (page 1)

[3] https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsHistorical.html

[4] https://www.cnbc.com/id/100840148

catastrophic and life altering consequences for millions of Americans every year.

Yes, although hospitals may not turn patients away, access to health care is not a "right" in this country, even though every person is going to get old and is going to get sick.

These problems systemic related to health care have largely been exacerbated by two major factors related to government:

- **Undue influence by major industry players over the United States Congress, state legislatures, and other elected leaders at the federal and state level.**

    - In 2016 alone pharmaceutical, insurance, hospitals, health professionals and HMO's were 5 of the 15 largest industries in terms of lobbying expenditures spending more than $650 million lobbying policymakers[5] and another $277 million in campaign contributions[6].

    - A 2015 analysis of US government policy initiatives between 1982 and 2002 by Princeton researchers found that policy initiatives strongly reflected the policy preferences of economic elites in health care and other areas.[7]

- **Polarization of the two major parties along economic and socio-political lines and the failure of elected leaders to work collaboratively toward public-interest solutions to reduce costs and expand health care coverage.**

    The most significant shift in health care policy, the Affordable Care Act of 2010 (ACA), was a large intervention by the federal government, created with the goal of making health insurance coverage available to all Americans. It passed in the US Congress on straight party lines. Since its passage, Republicans have sought to "repeal and replace" and undermine the effectiveness of the plan.

    The plan has partially succeeded. Rates of the uninsured have declined. However, because of problems with the exchanges in many states, and also in part because of efforts to undermine the system and to block iterative improvements to the law, cost savings have only partially materialized, and increases in costs have not been distributed evenly.

Oregon was an early adopter of the 2010 Affordable Care Act. The state's effectiveness at health care delivery and cost savings has been mixed. According to a 2016 study published in the New England Journal of Medicine, Oregon succeeded in expanding medicaid coverage and in lowering cost of insurance purchased through its exchanges.[8]

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[5] https://www.opensecrets.org/lobby/top.php?indexType=i

[6] https://www.opensecrets.org/overview/sectors.php

[7] http://talkingpointsmemo.com/livewire/princeton-experts-say-us-no-longer-democracy
https://www.cambridge.org/core/journals/perspectives-on-politics/article/testing-theories-of-american-politics-elites-interest-groups-and-average-citizens/62327F513959D0A304D4893B382B992B

[8]

However, the state's exchange system has also been rocked by several high profile failures.

- The state wasted $305 million in taxpayer funds on a health care portal that was never operable. A 2016 Congressional Report called for criminal investigation into the matter, but to date no action has been taken.

- A 2017 report by the Oregon Secretary of State revealed that as many as 96,000 Oregonians who were not eligible for health care subsidies may have improperly received subsidies, because the Oregon Health Authority, which had failed to disclose the problem, failed to verify eligibility claims. The report was criticized by Democrats,who argued that only approximately 32,000 ineligible people were enrolled.[9]

Health care in the United States is a largely broken marketplace. Much of the burden for paying rising health care cost is borne by workers and small businesses that have no ability to negotiate pricing with health insurance companies and can't self insure like large corporations do. The only way for small businesses to reduce costs is to reduce benefits.

Those who must purchase insurance on the individual market are seeing fewer choices and higher costs due to political stalemate, as pressure groups from the health insurers, hospitals and doctor associations all battle for their self interests and kill cost-savings measures.

The Independent Party of Oregon endorses a health care system based on concepts and processes used by other western developed countries: universal coverage for basic health care through cost sharing. Health care options to study must include: Medicare buy in option; the German model and the French Model; and an American based single payer system such as Medicare for all. (Note: France has competing health insurance funds, 100% of its citizens have health insurance, and it spends 11.2% of its GDP on health care.)

Reforming our health care system to one that is efficient and delivers healthcare to all will free up hundreds of billions of dollars of public expenditures. It will allow businesses who now experience ever growing health insurance costs to invest instead in expansion and modernization. And of course it will provide universal health care, improving the health of our children and families and reducing the stress and anxiety our unstable and unpredictable health insurance market causes for too many fellow citizens.

We recognize, however, that how or who pays doesn't address the cost of care. So while a national discussion develops, Oregon must focus on reducing health care costs. Oregon lawmakers must pressure care providers to be more efficient and reduce administrative expenses. Savings in the cost of care should be reflected in the cost of health insurance

https://www.usnews.com/opinion/letters/articles/2016-12-08/oregon-has-expanded-medicaid-and-kept-down-health-care-costs

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https://www.usatoday.com/story/news/politics/2017/05/23/oregon-secretary-state-dennis-richardson-slammed-inaccurate-medicaid-audit-alert/340570001/

premiums. Oregon legislators must put partisan politics aside and pass health care rules and develop structures to control the cost of publicly-funded or subsidized health care.