

CITY OF BETHLEHEM
City Council Memorandum

SUBJECT: Resolution in Support of Medicare for All Act
TO: Members of City Council
FROM: J. William Reynolds, Member of Council
DATE: October 9, 2019

Dear Colleagues,

In July of 2019, I was contacted by a group of Bethlehem residents who were interested in discussing the future of health care in America and working collaboratively to create a City Council Resolution in support of the federal Medicare for All Act. It was vital to me that the discussion of a potential Resolution placed substantial focus on the City of Bethlehem's own health care situation.

As we know, during our yearly budget conversations, the increasing cost of employee health care is a reoccurring theme. Rising health care costs affect municipal government in many ways, including diverting valuable resources away from priorities such as public safety, community development, recreation, and infrastructure investment. As the attached background documents show, our increased health care costs are falling on Bethlehem's taxpayers, municipal employees, and their families. Consider the following facts:

- The City's annual health care costs have increased from approximately \$6 million in 2004, to an average of nearly \$11 million over the past four years (2015-2018).
- From 2004-2019, out of pocket costs for City employees have risen substantially as premiums have increased by almost \$1,300 for employees with family coverage, with deductibles increasing by \$1,000.
- City government, however, has *decreased* our number of employees from a high of 670 in 2010, to our current level of 601 in 2019.
- Public sector unions are forced to bargain for health care stabilization benefits at the expense of other contractual priorities.

Attached to this memorandum are background documents describing our national health care situation and why adoption of the Medicare for All Act would reduce costs and improve health care in the City of Bethlehem and throughout the country. There are also attached documents on City health care costs and personnel figures. I would encourage you to read through the documents, but I would ask you to pay particular attention to one statistic. Our nation's current health care system costs \$3.6 trillion annually, but that figure will approach \$6 trillion in the next ten years without significant structural change. That increase will be felt on a public and private level. Every dollar that the City spends on municipal health care is a dollar that cannot be spent on other priorities.

Changes to any health care system are complicated. There are currently multiple federal health care proposals being discussed in Congress that are designed to lower costs, expand access, and improve the quality of care. A resolution passed by Bethlehem City Council is unlikely to drastically alter the adoption of any federal health care plan in the immediate future. It is vital, however, that we look at our country's rising health care costs and realize drastic changes are necessary if our city, state, and country are going to tackle an issue that threatens our quality of life, families' financial and health security, and economic competitiveness in the 21st century. Please feel free to contact me with any questions about the attached resolution or background documents.

I would ask the Members of Council to consider the proposed resolution at the City Council meeting on Wednesday, November 6, 2019.



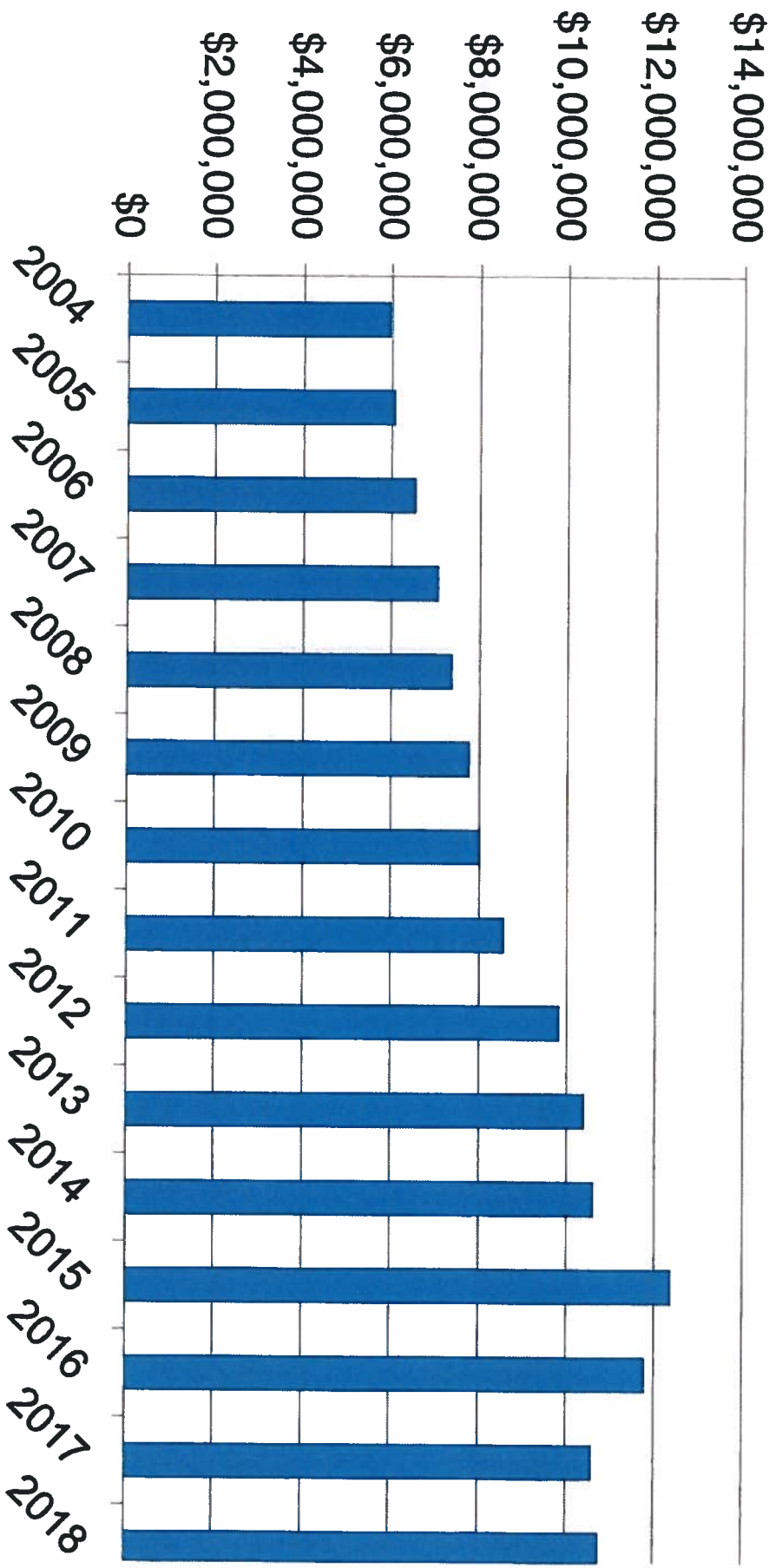
J. William Reynolds, Member of City Council

CC: Members of Council; Mayor

CITY OF BETHLEHEM

HEALTH CARE COSTS AND PERSONNEL INFORMATION

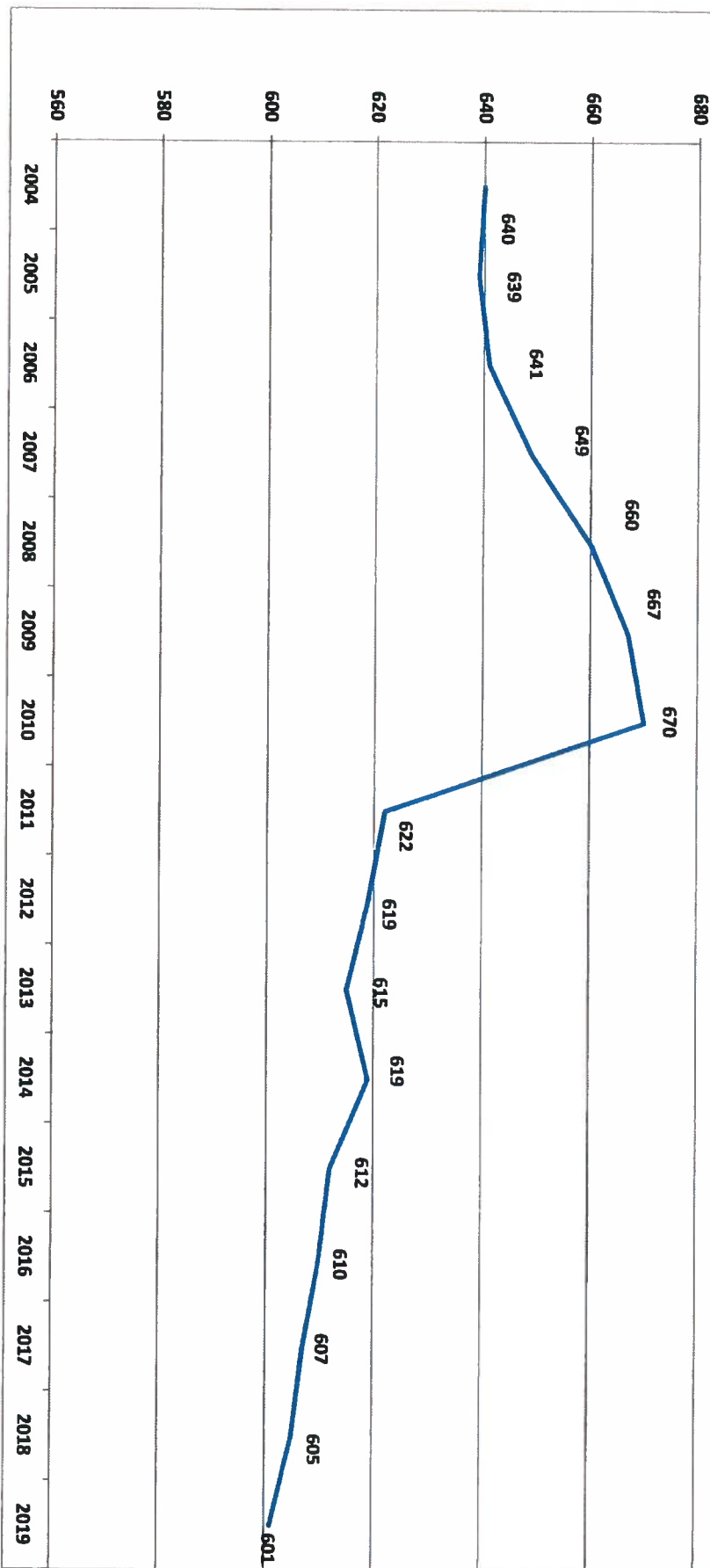
City of Bethlehem Healthcare Costs



**CITY OF BETHLEHEM
 EMPLOYEE PREMIUMS AND DEDUCTIBLES
 2004-2018**

	Monthly Premiums			Deductibles	
	Single	2-Party	Family	Single	Family
2004	\$ 20.00	\$ 20.00	\$ 20.00	N/A	N/A
2005	30.00	30.00	30.00	N/A	N/A
2006	30.00	30.00	30.00	N/A	N/A
2007	30.00	30.00	30.00	N/A	N/A
2008	35.00	35.00	35.00	N/A	N/A
2009	40.00	40.00	40.00	N/A	N/A
2010	55.00	58.00	61.00	N/A	N/A
2011	55.00	58.00	61.00	N/A	N/A
2012	55.00	58.00	61.00	N/A	N/A
2013	55.00	58.00	61.00	N/A	N/A
2014	55.00	58.00	61.00	N/A	N/A
2015	71.08	75.14	81.00	N/A	N/A
2016	41.22	86.52	100.88	N/A	N/A
2017	51.16	101.52	115.88	\$ 250.00	\$ 500.00
2018	52.76	108.94	126.57	500.00	1,000.00

Total City Workforce (Budget)



2019 MEDICARE FOR ALL ACT
BACKGROUND DOCUMENTS



Medicare for All Act of 2019

Summary

Today's healthcare system fails to provide quality, therapeutic healthcare as a right to all people living in the United States. Nearly 30 million Americans are uninsured, and at least 40 million more cannot afford the costs of their co-pays and deductibles. The quality of our healthcare is much worse than other industrialized countries—the life expectancy in the U.S. is lower than other nations, while our infant mortality rate is much higher. Yet the U.S. spends more money per capita on healthcare than any other industrialized nation. We waste hundreds of billions of dollars every year on unnecessary administrative costs, while healthcare industry executives measure success in profits, instead of patient care.

The current healthcare system in the United States is ineffective, inefficient and outrageously expensive. It is time to remove the profit motive in healthcare, to resolve the inefficiencies and to guarantee quality, therapeutic healthcare to every person living in the United States.

The Medicare for All Act of 2019 improves and expands the overwhelmingly successful and popular Medicare program, so that every person living in the United States has guaranteed access to healthcare with comprehensive benefits.

Comprehensive Benefits and Freedom of Choice

- The legislation provides comprehensive health care coverage including all primary care, hospital and outpatient services, dental, vision, audiology, women's reproductive health services, maternity and newborn care, long-term services and supports, prescription drugs, mental health and substance abuse treatment, laboratory and diagnostic services, ambulatory services, and more.
- Patients will have complete freedom to choose the doctors, hospitals, and other providers they wish to see, without worrying about whether a provider is "in-network".

No Private Insurance Premiums, Co-Pays, or Deductibles

- Enrollment in Medicare for All would not require any private insurance premiums or deductibles. Upon receiving care, patients would not be charged any co-pays or other out-of-pocket costs.

Long-Term Services and Supports for People with Disabilities and Older Americans

- Long-term services and supports will be fully covered by the Medicare for All program.

- The legislation requires that the program presume that recipients of all ages and disabilities will receive long-term services and supports through home and community based services unless the individual chooses otherwise.

Reducing Health Care Spending and Improving Care

- Medicare for All would simplify the healthcare system by moving to a single-payer model. This will reduce the hundreds of billions of dollars wasted on the administration of the current inefficient multi-payer system, allowing providers to focus on patient care instead.
- The legislation would prevent healthcare corporations from overcharging for the costs of their services and profiting off illness and injury. The legislation prevents providers from using payments from the program for profit, union-busting, marketing, or federal campaign contributions.
- The Medicare for All program would provide global budgets to all institutional providers to help contain the exorbitant costs present in the system today, and will allow the public to know where our healthcare dollars are being spent.

Reducing the Costs of Prescription Drugs

- The United States currently pays the highest prescription drug costs in the world. This legislation would allow Medicare to negotiate drug prices, as other countries do, to substantially lower the costs of prescriptions drugs.
- The legislation authorizes Medicare to issue compulsory licenses to allow generic production if a pharmaceutical company refuses to negotiate a reasonable price.

Transition

- The transition to Medicare for All would occur in two years.
- One year after the date of enactment, persons over the age of 55 and under the age of 19 would be eligible for the program.
- Two years after the date of enactment, all people living in the U.S. would be eligible for the program.

Healthcare for Veterans and Native Americans

- This legislation preserves the ability of veterans to receive their medical benefits and services through the Veterans Administration, and of Native Americans to receive their medical benefits and services through the Indian Health Service.

If you have any questions, please email Danielle Fulfs in Rep. Jayapal's office (danielle.fulfs@mail.house.gov) or Joe McNally in Rep. Dingell's office (joe.mcnally@mail.house.gov).

**PROPOSED
SUPPORT RESOLUTION**

RESOLUTION NO. 2019 - ____

WHEREAS, the number of Americans without health insurance is still nearly 30 million, while more than 40 million Americans remain underinsured, despite important gains made since the implementation of the Affordable Care Act;

WHEREAS millions with insurance have coverage so inadequate that a major illness could lead to financial ruin, and medical illness and bills contribute to two-thirds of all bankruptcies;

WHEREAS, every person in the City of Bethlehem deserves high quality health care;

WHEREAS, continually rising health care costs stress our City budget and hurt the businesses which keep our community thriving;

WHEREAS the Medicare for All Act of 2019 would provide national health insurance for every person in the United States for all necessary medical care including prescription drugs; hospital, surgical and outpatient services; primary and preventive care; emergency services; women’s reproductive care; dental and vision care; and long-term care;

WHEREAS the Medicare for All Act of 2019 would provide coverage limiting or eliminating copays, deductibles or other out-of-pocket costs, and would reduce bureaucracy, protect the doctor-patient relationship and assure patients a free choice of doctors;

WHEREAS, the Medicare for All Act of 2019 will guarantee that all residents of the City of Bethlehem will be fully covered for health care and would save millions in taxpayer dollars now spent on health insurance premiums for municipal employees; and

WHEREAS, the quality of life for the residents of the City of Bethlehem will improve because they would be able to receive the ongoing care they need, instead of waiting until they have a medical emergency that could disrupt their lives as well as further burden local resources.

NOW THEREFORE BE IT RESOLVED, that the City Council of the City of Bethlehem supports the Medicare for All Act of 2019 (H.R. 1384 and S. 1129) and calls on our federal legislators to work toward its immediate enactment, providing appropriate and efficient health care for all residents of the United States, including in the City of Bethlehem.

Sponsored by: _____

ADOPTED by Council this day of , 2019.

President of Council

ATTEST:

City Clerk