

Health Care:

Fixing Our Broken Health Insurance System

January 2026



Top Line

- 1. Health insurance is extremely important** - for individuals, their families and our communities. Health insurance makes families and communities healthier, physically and financially.
- 2. However, the US health insurance system is broken.** Compared to other large, advanced countries, the US health insurance system provides less access, costs more, and results in worse health outcomes. **Among 17 countries, we rank 17th on cost per capita, life expectancy, and maternal mortality.**
- 3. Republican policies are making it even worse.** Trump administration policies are increasing health insurance costs, which will increase the number of uninsured Americans. Republicans in Congress are doing nothing to address the situation.
- 4. We need comprehensive solutions to fix our broken health insurance system.**

We need to elect legislators in 2026 who will be willing to learn from best practices in other countries and states, take near-term actions to increase coverage within the existing health insurance systems, and work toward more effective long-term solutions.

Backup

- 1. Health insurance is extremely important** - for individuals, their families and our communities.

- a. **Health insurance encourages preventive care** - Coverage often includes free or low-cost preventive services such as vaccines, screenings, and wellness visits, helping catch health problems early before they become severe and costly. (1)
 - Regular preventive healthcare, such as physical exams and screenings for health conditions, can help people live longer and enjoy more wellness and a greater quality of life.
 - Doctors can catch conditions early when they are easier to treat, and when treatment produces better outcomes. (2)

- b. **Health Insurance improves health outcomes** - having insurance leads to lower mortality rates, better management of chronic diseases, and improved overall health compared to being uninsured. (3)

Uninsured individuals are more likely to delay or skip treatment, resulting in more severe illness, higher hospitalization rates for avoidable conditions, and poorer health outcomes. (4)

- c. **Health insurance protects families from debt burdens** - Coverage reduces individuals' and families' financial burden and risk by reducing annual out-of-pocket spending and essentially eliminating catastrophic expenditures. (3)

Medical debt is one of the leading causes of personal bankruptcy. In a survey of people who declared bankruptcy, 58.5% said medical bills contributed to their bankruptcy. (5)

- d. **Health insurance makes our communities healthier** - Health insurance contributes to community wellness by reducing the spread of communicable diseases through access to vaccines and timely care, and it helps keep health systems and hospitals financially stable by reducing uncompensated care costs. **Hospitals, particularly rural hospitals, in states that expanded Medicaid experienced improved financial performance and were less likely to close.** (3)

- e. **Health insurance strengthens our economy** - Insured populations are more productive, miss fewer days of work due to health issues, and support stronger local economies. (3)

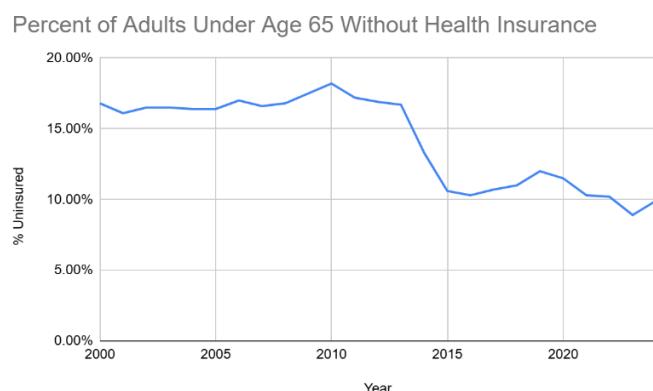
Bottom line, without health insurance there are costs for individuals, in terms of poorer quality of life and reduced productivity; for businesses, whose employees miss work or retire early for health reasons; for the health care system, which is burdened

by bad debt and inefficient care for the uninsured; and for society at large, which forgoes the economic benefits of a healthy, productive population.

2. However, the US health insurance system is broken.

Compared to other large, advanced countries, the US health insurance system provides less access, costs more, and results in worse health outcomes.

- a. The US is the only large, advanced country in which virtually all citizens don't have health insurance.**
 - Universal health insurance is standard in all other large, advanced countries. (6)
 - In contrast, 9.9% of US citizens under age 65 did not have health insurance as of 2024. This is 26.9 million people. (7)
 - Over time, the US has made some progress on this (see the chart below). Prior to the implementation of the Affordable Care Act (also called Obamacare) in 2010, around 17% of Americans under age 65 did not have health insurance (because of Medicare, virtually all Americans age 65 and above have health insurance).
 - The percentage uninsured fell rapidly in the years following 2010 as the ACA was implemented, to less than 11% by 2015.



Source: Centers for Disease Control and Prevention,
<https://www.cdc.gov/nchs/nhis/health-insurance/Trend-HealthInsurance1968-2024.pdf>

- The uninsured rate increased some during the first Trump Administration but then improved under Biden, as the Biden Administration encouraged enrollment and enhanced ACA subsidies.
- The number of Americans without health insurance has decreased from 48.3 million in 2010 to 26.9 million in 2024. That is a decrease of over 20 million

people under age 65 without health insurance, which is major progress, but it still leaves too many of us without health insurance coverage.

b. The situation in Texas is even worse. (8)

- In 2023, over 18.6% of Texans under age 65 did not have health insurance, **the largest percentage in the US by far**.
- This is far above the state with the second highest uninsured rate, which is Oklahoma at 13.5%.
- **This represents 4.8 million Texans without health insurance.**

c. Our health system costs far more than in other large, advanced countries.

- As shown in the table below, healthcare in the US cost over \$12,000 per person in 2022. This is far higher than in any other large, advanced country. The second highest country, Switzerland, spent about \$8,000. (6)
- This is over \$4 trillion a year and rising rapidly. The US spends over 16% of our GDP on healthcare, far higher than any other large, advanced country. (6)

Health Metrics by Country

	Health Insurance Coverage	US\$ Per Capita on Health Care	% of GDP spent on Health Care	Life Expectancy (Years)	% Satisfied with Availability of Quality Care	Practicing Doctors per 1,000 People	Maternal Mortality per 100,000 Live Births
Australia	All	\$6,372	9.60%	83.3	71%	4	2
Austria	All	\$7,275	11.40%	81.3	84%	5.4	6
Belgium	Almost All	\$6,600	10.90%	81.9	90%	3.3	4
Canada	All	\$6,319	11.20%	81.6	56%	2.8	12
Czechia	All	\$4,512	9.10%	77.2	77%	4.3	3
France	All	\$6,630	12.10%	82.4	71%	3.2	7
Germany	All	\$8,011	12.70%	80.8	85%	4.5	4
Israel	All	\$3,444	7.40%	82.6	69%	3.4	2
Italy	All	\$4,291	9.00%	82.7	55%	4.1	6
Japan	All	\$5,251	11.50%	84.5	76%	2.6	3
Korea (Republic of)	All	\$4,570	9.70%	83.6	78%	2.6	4
Netherlands	All	\$6,729	10.20%	81.4	83%	3.9	4
Spain	All	\$4,432	10.40%	83.3	64%	4.5	3
Sweden	All	\$6,438	10.70%	83.1	74%	4.3	4
Switzerland	All	\$8,049	11.30%	83.9	94%	4.4	5
United Kingdom	All	\$5,493	11.30%	80.4	67%	3.2	8
United States	91%	\$12,555	16.60%	76.4	75%	2.7	17
US Rank	17	17	17	17	9	15	17
Average Excluding US	All	\$5,901	10.50%	82.1	75%	3.8	4.8

Source: OECD, Healthcare at a Glance, 2023, 11/7/23, https://www.oecd.org/en/publications/health-at-a-glance-2023_7a7afb35-en.html
Except Maternal Mortality, which is from Unicef, <https://data.unicef.org/topic/maternal-health/maternal-mortality/>

- There are multiple reasons for this higher cost, including higher administrative costs due to a fragmented private health insurance system,

higher prescription drug prices than in other countries, and higher prices for medical services. (9)

d. The US health system produces worse health outcomes

The table above also shows where the US stands relative to other large, advanced nations on key health outcome metrics. The US falls far short on many of the most important measures.

- **Life Expectancy** - The US is last when it comes to life expectancy - at 76.4 years, US life expectancy is more than 5 years shorter than the average of these other countries.
 - Multiple reasons have been identified for this lower life expectancy, including higher rates of obesity, higher homicide and suicide rates, mostly due to higher rates of gun violence, higher levels of death from opioid overdoses, and greater levels of poverty and income inequality. (10)
 - **But lower access to health care is also a major factor.** A study by the US National Research Council noted "the lack of universal access to health care in the United States has increased mortality and reduced life expectancy." (10)
- **Maternal mortality** - the rate of maternal mortality in the US is 17 per 100,000 live births. This is three times the average of other large, advanced countries, and by far the highest rate among all these countries.
 - Here again lack of access to healthcare plays a big part. Nearly 8 million women of reproductive age in the US are uninsured. Having health insurance makes it more likely that women will receive adequate prenatal and postpartum health care. (11)
 - States that have opted in to Medicaid expansion through the Affordable Care Act have seen reduced rates of maternal mortality. (11)
 - Maternal Mortality in Texas is significantly higher than the US average. For the 2018 - 2022 five-year period, the US average was 23 per 100,000, and Texas was 28. That is almost six times higher than the average of the other advanced countries. (12)

- **Infant mortality** - The US has the highest rate of infant mortality (under one year) of any large, advanced country.
 - Our rate is 6 per 1,000 live births, twice the average of the other large, advanced countries, and higher than any of them. (13)
 - Experts identify several reasons for this difference, including inadequate prenatal care, high rates of cesarean section, and poverty, which contributes to chronic illnesses like obesity, diabetes and heart disease. **Limited access to effective primary care to better prevent and manage chronic health conditions is a major factor.** (14)
 - Texas' infant mortality rate is about equal to the US average of 6 per 1,000 live births, at 5.8 according to the Centers for Disease Control. This is lower than some of the deep red states (Mississippi is 8.9, Oklahoma is 7.1) but significantly higher than states like New York (4.0) and Massachusetts (3.3). (15)

3. Republican policies are making it even worse.

- a. **The "Big Beautiful Bill" is cutting funding for health insurance.** The Congressional Budget Office estimates that the BBB will cause approximately 16 million people to lose health insurance coverage by 2034, primarily from cuts to Medicaid and to premium tax credits in the Affordable Care Act marketplace. (16)
 - These cuts are being made to offset the increase in the deficit caused by extending the Trump tax credits, which primarily benefit high income households.
 - An increase in the uninsured population of 16 million people would reverse most of the progress made over the past 12 years.
- b. **These cuts affect Texans directly** (17)
 - According to estimates by KFF, Texans who get their health insurance through the Affordable Care Act will see their health insurance premiums increase by 35% on average because of the OBBB.
 - This is because of OBBB's cuts to the ACA subsidies, which have helped to keep health insurance affordable.
 - As a tangible example, typical coverage for a 40-year-old was \$5,868 per year for 2025 and will be \$7,932 in 2026.

- Nearly 4 million Texans get their health insurance through the ACA and will be affected by these cost increases.
- c. **In Texas, Republican legislators have failed to expand Medicaid, leaving many families without health insurance.**
 - Medicaid and the related program Children's Health Insurance Program (CHIP) provide health insurance coverage for millions of families, children, pregnant women, adults without children, and people living with disabilities. (18)
 - Beginning in 2014, the Affordable Care Act provides states the authority to expand Medicaid eligibility (18). The Federal government paid 100% of the cost through 2016, phasing down to 90% after 2016. (19)
 - 40 states have elected to expand Medicaid. However, states had the ability to opt out, and Texas has elected to opt out.
 - Texas' decision to opt out is harmful to Texas in many ways:
 - It prevents over 600,000 Texans from getting health insurance coverage. Texas ranks last among US states in health insurance coverage, and this is a major reason why. (20)
 - It reduces access to health care and hurts health outcomes. (20)
 - It especially hurts rural residents and rural hospitals. (21)
 - It hurts the Texas economy. Analysis by the Methodist Healthcare Ministries and Texas Impact show that expanding access to Medicaid would have increased economic output and created hundreds of thousands of jobs in Texas. (22)

4. We need comprehensive solutions to fix our broken health insurance system.

We need to elect legislators at the Federal and State level who will:

1. **Learn from the best performing health insurance systems.** Several advanced countries have health systems that perform better than ours, have higher satisfaction ratings, and cost far less. We should be open to learning from them.

The research organization KFF points out "Each country is unique, and its health system needs to reflect its culture, environment and demographics. But there is much we can learn from the best performing countries, such as how to use

preventive care most effectively to reduce long-term costs, lower administrative costs, and optimal ways to leverage technology.” (23)

2. **Reverse the cuts to ACA tax credits contained in the Republicans’ One Big Beautiful Bill.** These cuts are extremely unpopular and will lead to millions of American families losing their health insurance. Costs will go up dramatically for those who are able to pay the higher premiums to retain their coverage.

Extending the tax credits is extremely popular. According to an October 2025 survey, 78% of the public say they want Congress to extend the enhanced tax credits available to people with low and moderate incomes. Even a majority of Republicans (59%) want the tax credits restored. (24)

3. **Increase insurance coverage through existing systems**, for example by expanding access through the ACA, and by **expanding Medicaid in Texas** (which would reduce the uninsured population by over 600,000). This could be done quickly and would go a long way toward reducing the uninsured population, while more comprehensive solutions are developed.
4. **Work toward a more comprehensive “single payer” system. This is often referred to as “Medicare for All”.**

- Currently, Medicare provides coverage to most Americans over 65 and some younger Americans with disabilities.
- **There is solid evidence that a single-payer system will reduce costs, increase satisfaction, and improve health outcomes:**
 - Medicare is very popular – a 2025 survey found that 90% of those who have coverage through Medicare were satisfied with their health insurance, much higher than the 77% of those with private health care coverage who said they were satisfied. (25) This suggests that a single payer system would increase satisfaction with health insurance coverage.
 - An analysis reported in the Lancet medical journal found that a **universal single-payer system would reduce US health care costs by 13%, or \$450 billion a year. It would also save more than 68,000 lives by increasing access to care.** (26)
 - An analysis of multiple studies of the economic impact of a Single Payer system found that virtually all of them project cost savings from moving

to a Single Payer system. The authors conclude “*There is near-consensus in these analyses that single-payer would reduce health expenditures while providing high-quality insurance to all US residents.*” (27)

- This is consistent with the comparative data in the table above, which shows that countries with single payer systems (i.e. all other large advance countries) have much lower costs and better health outcomes than the US.
- A single payer system reduces costs by reducing redundant administrative waste, leveraging greater negotiating power, simplifying billing, and increasing the focus on preventive care.
- **A single-payer system could operate in conjunction with private insurance.** For example, a “Public Option” plan would provide a government-sponsored plan that would compete with private plans, allowing people to choose. Another concept is a “hybrid” model where private insurers could offer government-approved plans to supplement the single-payer program.
- It is probably infeasible to implement Medicare for All quickly.
 - The existing system of private health insurance is extremely complex and deeply embedded in the economy, and a rapid change would involve significant risk and many unknowns.
 - It is also likely to be politically impossible, at least in the near term.
 - A more gradual approach would be to gradually lower the age for Medicare, e.g. initially from 65 to 60.
 - A study by KFF found that lowering the age of Medicare eligibility from 65 to 60 would both reduce costs and reduce the uninsured population. (28)
- Democrats in the US House and Senate have introduced the “Medicare for All Act” which calls for a gradual transition to a single payer system. (29)

In summary, our health insurance system is broken - it fails to cover many of our fellow citizens, it produces poor outcomes, and it costs far more than in any other large, advanced country. It is time to get serious about fixing it – at the state level by expanding Medicaid, and at the national level by moving toward single-payer universal coverage.

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