

Healthcare Inequality in America

By [Chris White](#)

Global Research, February 09, 2014

[ItsOurEconomy.US](#).

Region: [USA](#)

Theme: [Poverty & Social Inequality](#)

Nearly every week a new facet of the Affordable Care Act comes to light to support the conservative go-to homily: good intentions lead to bad policy. It was a nice idea to give freeloaders the chance to be treated for illnesses they had no chance to avoid (because, you know, genetics), but it's time to sidle up to the grown-ups table.

The latest element of this cumbersome, overly-complicated bill to stir controversy shows how a profit-driven healthcare system has a pernicious effect on the old-time American religion of upward economic mobility and equality of opportunity. The lens of real estate and finance gives us an interesting look at how our healthcare system is part and parcel of an edifice that enables the rich to get richer and, well, you know.

Since the poor have been largely invisible to the mainstream media until recently, many could be excused for not knowing that states have been able to seize the estate assets of Medicaid recipients upon death. Now, in addition to doing nothing to address [the problem of bankruptcy due to medical debt](#), the ACA, through Medicaid expansion, [has increased the pool of resources that can be repossessed by state authorities](#) to help defer the costs of the program. Granted, there are exceptions to the practice when there is a surviving spouse or minor children involved but there should be little surprise that some are now steering clear of enrollment.

How did we come to this?

The value of homeownership has a mixed history in American politics. It has been touted by the Home Builders Association and National Association of Realtors as "the American Dream." It was encouraged to drain crowded urban areas (with a dramatically unequal impact across races), and, as David Harvey [has suggested](#), saddling people with a 30-year mortgage was a great way to disincentivize labor strikes during a time when revolution was feared around every corner. But it has also provided households with a source of wealth that could appreciate in value and thereby provide the owner and the future generations of their family the opportunity to gain a toehold toward a life free of chronic need.

The real "American Dream" has always been the idea that anyone could pick themselves up and become a wealthy member of the leisure class, no matter their background. But [a recent piece](#) in The New York Times has revealed that, despite all the bluster to the contrary, a person's station in life is still largely determined by where they came from and their family's economic background.

If that's the case, then enabling families to build wealth over time would be essential in realizing greater equality in American economic outcomes. Real equality of opportunity would acknowledge that, since everyone gets sick, everyone should get the coverage they

need regardless of their wages. But the American healthcare system has actively hindered the wealth-building efforts of both the poor and the vanishing middle class.

Besides state-led asset seizure to recoup Medicaid costs, [medical debts based on exorbitant healthcare costs](#) have also been pushing assets into foreclosure, packing more and more families into the glutted rental market and thus driving up rents. This makes homeownership a fever dream for those struggling to work and save their way up. Many of those who lost their homes had a college degree and full-time jobs with solid benefits (including health insurance).

By incentivizing the liquidation of one of the few tradable assets possessed by those in the lowest (and even middle) tiers of our economy, the U.S. healthcare system reveals itself to be another cornerstone in the structure of American economic inequality.

While the lower- and middle-classes have had a tough time securing stable investments in real estate, the wealthier have profited on this instability. Ironically, speculation in real estate and mortgage-backed securities and the concomitant bail-outs for irresponsible banking institutions dramatically reduced state revenues. Governments across the country have been forced to play an agonizing game of budgetary triage. Meanwhile, as more people have been forced into poverty by the massive wealth destruction of the Great Recession, the state has had to pay more into safety net programs while drawing less revenue from a poorer population.

In the absence of a single-payer healthcare system that would control costs and eliminate the deficit (as opposed to [the baffling alternative](#) recently cobbled together by the GOP), state governments find themselves with few choices under the current political and economic climate. Faced with greater competition over scarce tax dollars, they are reclaiming the very asset from the lower classes that was supposed to elevate the poor out of poverty.

But, while some have faced wealth destruction, some have been able to cash in. A larger, aging population pushed into the healthcare system by the ACA has investors [betting on real estate](#) intended for medical offices, diagnostic laboratories, and imaging centers. The greater need for space means more long-term leases and a steady cash flow ensuring a solid rate of return for investors (though this could change in light of the Federal Reserve's recent [moves to taper quantitative easing](#)).

With real estate investment trusts (REITs) and other funds bidding up the prices for these spaces, hospitals (currently the owners of 90% of said property) and investors stand to gain handsomely from the current system. So, besides the obvious benefits to insurance companies (forcing people to buy their product) and pharmaceutical companies in a system that doesn't challenge the cost of drugs, healthcare under the Affordable Care Act will continue the trend in American politics of [skewing wealth towards those who "earn" money from capital gains](#) while those laboring under the illusion of an "American Dream" face dispossession.

Making sure everyone has a chance to rise to a level of well-being where their basic needs are taken care of is a laudable, and practical, dream for Americans. But a system that targets the assets of the poor for liquidation and provides care pegged to one's income level is a system dedicated to reproducing inequality.

If we are going to be honest with ourselves we would have to admit that the fault for this current situation lies not in good intentions, but in the structural problem of securing profits before the needs of the people.

This article was originally published on [It's Our Economy](#). Chris White is the national coordinator of [It's Our Economy](#).

The original source of this article is [ItsOurEconomy.US](#).

Copyright © [Chris White](#), [ItsOurEconomy.US](#), 2014

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Chris White](#)

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca

www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca