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Codifies Healthcare Apartheid

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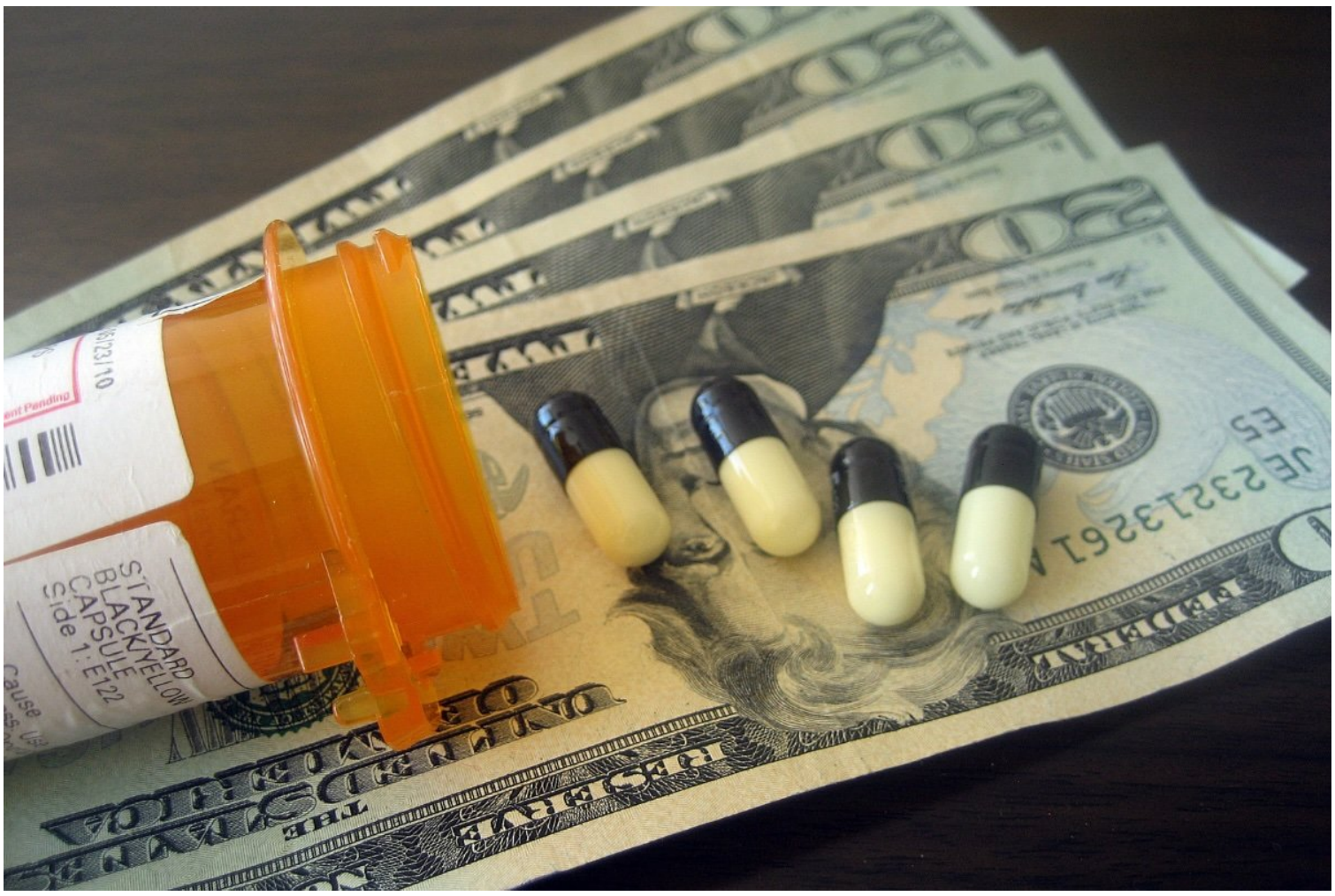

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The US healthcare system has long disfavored poor people, the majority of whom in all 50 states are women. Compared with others, poor in the United States, whether White or non-White, get worse healthcare and are stereotyped for getting it at all.

Meanwhile, Medicaid patients die younger. Women giving birth on Medicaid suffer higher mortality rates and birth complications. During the pandemic, people who chanced to be living in nursing facilities in 2020—the great majority of whom were women on Medicaid—died of COVID at 26 times the rate of people living in the community.

Medicaid, which should be prized for providing healthcare to low-income people since 1965, was unfortunately structured, through compromises with states that were opposed to the civil rights movement, to provide lower quality care. This created a two-tier healthcare system, which assured dangerous classist outcomes for those in the bottom tier—compounded by ageism, sexism, racism, and ableism.

The rarely stated truth is that practically all medical care receives government subsidies, but only Medicaid carries social stigma. A hypocritical and mean-spirited attitude toward our most vulnerable people reached its extreme on July 4, 2025, when President Donald Trump gleefully signed his "One Big Beautiful Bill" into law.

This legislation embodies healthcare apartheid by imposing punitive work requirements for Medicaid recipients, while extending $3.3 trillion in tax cuts that disproportionately benefit wealthy individuals and corporations. Meanwhile, the

largest federal healthcare subsidy, the $299 billion tax deduction that corporations receive for their employees' health insurance, a massive government expenditure, continues to face no character tests for its recipients.

The Character Test Hypocrisy Codified

The One Big Beautiful Bill Act imposes existing Medicaid work requirements for the first time nationwide, requiring adults aged 19-64 to work, volunteer, or attend school for at least 80 hours per month or risk losing their healthcare coverage. Adults who fail to demonstrate compliance—which has also been made bureaucratically more difficult—after only 30 days, may face denial or disenrollment, as well as permanent exclusion from subsidized marketplace coverage.

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Meanwhile, the same legislation extends massive tax breaks with no verification requirements. Individuals will receive tip income deductions up to $25,000 and overtime deductions up to $12,500, and seniors will receive a $6,000 standard deduction boost—all without proving their "worthiness." Wealthy individuals who inherit millions will go tax-free for concierge medicine and benefit from capital gains write-offs—both forms of government welfare without moral judgment. Unemployed inheritance-millionaires face no government scrutiny for deservingness, while the working-poor seeking healthcare will endure invasive questioning about their worthiness.

The bureaucratic humiliation the working poor face is designed to discourage access to their inadequate care. If anyone believed Republicans were seriously trying to end "waste, fraud, and abuse," this bill clears them of that suspicion. Providers, such as the equity owners of nursing facilities, collect millions through fraud and abuse, with minimal oversight. Cruel ironies such as these abound throughout the system.

Professional Class Complicity

Physicians will benefit from tax-free employer health benefits, while they control and may limit access to specialist care for Medicaid patients. Academic medical centers will receive government research subsidies, or used to, while maintaining prestige hierarchies that stigmatize safety-net medicine. Of course, the Trump administration has tried to cut federal grants, but the courts have acted to restrain many of these cuts.

The US healthcare professional structure reinforces inequality through compensation models that incentivize wealthy patients, while it disregards the needs of the poor. In this apartheid system, those who can pay receive premium care, while others get lower resources and poorer outcomes. A 2024 report from the Commonwealth Fund noted that the United States "continues to be in a class by itself in the underperformance of its health care sector."

The Trump budget bill, signed into law in July, accelerates this complicity by cutting $1.02 trillion from Medicaid and the Children's Health Insurance Program, while maintaining all existing subsidies for employer-sponsored insurance. Medical professionals benefiting from government subsidies will now oversee care rationing for patients subjected to work requirements, transforming doctors into enforcers of economic punishment rather than healers.

Expected Outcomes

While the Trump-supported budget bill has only just passed, the shape of likely outcomes is already clear.

- **Who Pays?** People from the poorest communities disproportionately fund the system designed to shame them. Through regressive taxation—sales taxes, property taxes embedded in rent, and payroll deductions that spare higher earners—low-income workers subsidize healthcare for wealthier families. The tax system has systematically shifted from capital taxes to consumption and labor taxes, placing the heaviest burden on those least able to bear it. Back in 2012, the Brookings Institute reported that "the current US tax system is less progressive than the tax systems of other industrialized countries, and considerably less progressive today than it was just a few decades ago." It has gotten only more regressive since.

  The Trump administration-backed law brutally exacerbates this regressive structure. While cutting healthcare funding

for the poor, it extends tax cuts, increasing the federal deficit by $3.3 trillion. This debt will injure the national economy and threaten cuts to Medicare, the universal system for older adults, which covers people of all incomes.

- **Persistent Health Disparities**. This situation reflects broader racial capitalist structures where racialized exclusion enables profit extraction from public programs designed to serve the excluded Today's racist legacy persists through health disparities that shock the conscience. Black men die of prostate cancer at more than double the rate of White men. Class is also a major factor. Data shows the wealthiest men live 15 years longer on average than the poorest men.

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- **Geographic and Corporate Exploitation.** The law accelerates geographic apartheid by threatening over 300 rural hospitals with closure through Medicaid cuts, while providing only a token $50 billion "rural hospital relief fund" over five years—merely $4.5 million annually per hospital on average. With 44 percent of rural hospitals already operating at negative margins and over 300 at "immediate risk" of closure, these cuts will create vast medical deserts in communities where many people voted for the politicians enacting them.

Meanwhile, Medicaid remains a trillion-dollar profit extraction machine for corporations like UnitedHealth, Centene, and Humana, which deny care while maximizing government payments. Work requirements create new administrative costs benefiting consulting companies, while punishing people who are already working. Research shows only 8 percent of working-age Medicaid recipients who aren't disabled are unemployed, yet when looking at Georgia's "Pathways to Coverage" for uninsured low-income adults that also has an 80-hour mandate, the program cost taxpayers over $86 million to enroll just 6,500 participants, 75 percent fewer than projected.

- **Political Theater and Public Manipulation.** Conservative politicians perfect the art of bullying powerless people to demonstrate fiscal responsibility: Republican senators praise work requirements as "common sense" despite evidence that most Medicaid recipients who can do so, already work. Although no Democrat voted in favor of the Trump budget bill, many Democratic politicians support means-testing as "fiscally responsible," revealing a bipartisan investment in maintaining hierarchies of deservingness. This performative politics exploits public opinion contradictions: while two-thirds viewed the Trump budget bill unfavorably, 68 percentage support Medicaid work requirements—support that erodes when people learn the likely potential impacts. Favorable views among adults over 50 drop from 34 to 24 percent when they are told the bill would increase the number of uninsured by 10 million.

- **Healthcare Apartheid as National Policy.** The law codifies healthcare apartheid as explicit national policy, creating a formal two-tier system where the top tier receives massive government subsidies without conditions: employer-sponsored insurance recipients, wealthy individuals claiming tax deductions, corporations benefiting from healthcare tax breaks. While the bottom tier faces punitive requirements: Medicaid recipients subjected to work requirements, Affordable Care Act marketplace enrollees facing shortened enrollment periods, immigrants losing subsidy eligibility, and rural communities witnessing hospital closures.The moral contradictions demand a reckoning: how does the healthcare profession reconcile "do no harm" with rationing care based on perceived worthiness rather than medical need?

The Path Forward

The only worthy solution is radical: eliminate the distinction between deserving and unworthy patients. Equity requires not just policy changes but a transformation of how we understand health, care, and community responsibility—accompanied by the necessary structural changes.

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Some basic elements of a system of healthcare rooted in health justice include:

- **Universal Coverage**: Everyone receives the same high-quality care regardless of employment status, income, or background, implemented through structures that actively counter racialized and ableist exclusions.
- **Single Payer System**: Eliminate the administrative waste and profit extraction of the current multi-payer system, while building democratic accountability mechanisms that prevent bureaucratic reproduction of exclusions.
- **Equal Access with Spatial Justice**: End the two-tier system that provides concierge medicine for the wealthy and warehouse care for the poor, while addressing geographic inequalities through community-controlled healthcare infrastructure.
- **Dignified Treatment:** Remove the stigma of character tests and bureaucratic humiliation that characterize means-tested programs. Replace them with care systems designed to further equality, interdependence, and mutual support.
- **Structural Competency**: Train healthcare providers at all levels to recognize how social structures and attitudes (ageism, ableism, racism, sexism) create good or poor health outcomes and enable providers to practice medicine and caregiving that address root causes rather than just individual symptoms.
- **Global Health Justice:** Address healthcare inequality within global patterns of resource extraction, including how wealthy nations extract medical talent and resources from poorer ones.

The newly passed Trump law represents the logical (or illogical) endpoint of US healthcare exceptionalism and a cruel commitment to rationing care based on perceived worthiness with income as a proxy, rather than medical need.

True healthcare justice requires dismantling not just this legislation, but the entire ideological framework that makes such policies politically viable. Until our nation addresses these fundamental contradictions, our society will continue to spend more per capita on healthcare than any other nation, while denying basic care to millions—a trillion-dollar monument to organized hypocrisy, now codified into federal law.

Shifting policy in this direction may seem like a pipedream, but history reveals a consistent pattern where moral and economic crises create openings for reform: the Great Depression's exposure of elderly destitution preceded Social Security; World War II's devastation enabled the Marshall Plan; war orphans' suffering catalyzed Aid to Families with Dependent Children; postwar inequity drove Medicare and Medicaid; decades of racial terror eventually forced civil rights legislation; the 2008 financial collapse's mass uninsurance led to the Affordable Care Act; and COVID-19's stark health disparities spurred recent Medicaid expansions in some states (now undone).

Each transformation required US society to confront previously invisible or denied suffering. A faint silver lining in the Trump budget law is that today's healthcare apartheid may itself generate the moral and financial crises necessary for genuine reform.

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