

# HEALTH CARE FOR AMERICA

Roger Hickey

Long before anyone had been nominated or elected, the voters of 2008 had gotten one message across loud and clear: *Fix our dysfunctional health care system!* For obvious reasons (and big reasons that aren't so obvious), the leaders of 2009 must heed that call.

America's health care system is in meltdown. More than 45.7 million of us have no health insurance. But even those with good insurance face rising costs and a growing risk of losing the protection they have. Every year, tens of millions of Americans go uninsured for long periods - when a layoff, a divorce, or illness itself disrupts their ability to get or pay for coverage. (Forty-one percent of working-age Americans making \$20,000 to \$40,000 per year lacked insurance for at least part of 2007.) Still more millions are seriously under-insured, though many don't realize it since insurance companies tend to be secretive about the conditions and procedures they refuse to cover - until we actually need the care.

In an economy that's gone bad and getting worse, countless American families - insured and uninsured alike - live in dread of being plunged into poverty or destitution by a major health problem. In fact, more than half of all individual and family bankruptcies are triggered by medical bills.

Health care is a momentous problem in its own right. It's also hugely important as part of the broader breakdown of economic security in our country, and as a symbol of political gridlock and unresponsive government. For all these reasons, it's an issue to be addressed boldly, decisively, and, at the same time, with an extra measure of care.

If we were starting from scratch, "single payer" might be the way to go. With one public insurance plan covering everyone, Americans could potentially realize hundreds of billions of dollars a year in savings on point-less bureaucracy and profits - more than enough to cover the uninsured and improve coverage for tens of millions of under-insured.

But we are not starting from scratch. During World War II, U.S. employers began providing health insurance as a way to attract scarce workers at a time of strict wage-price controls. Tax laws went on to codify our employer-based system, which even now provides health care for 160 million Americans - a majority of those not on Medicare. Their support was the critical missing piece in 1993. That's when the Clinton administration set out confidently down the path of health care reform - only to see its proposal cut to shreds by insurer-sponsored TV spots in which a middle-class couple called "Harry and Louise" warned of a sinister plot to "force us to pick from a few health care plans designed by government bureaucrats."

The good news is that Americans are much more suspicious of the insurance industry now than they were then. Many people have wised up to the way insurers compete by cherry-picking younger, healthier workers and employing armies of agents to deny claims - sometimes even when it means condemning someone to premature death or a lifetime of chronic illness. Of all the world's nations, the United States spends by far the most money on health care per capita and in total. Our health care system is enormously wasteful and chaotically organized - and Americans know it. About two-thirds of all voters are prepared to see taxes increase in order to provide high-quality health insurance for everyone. Even a majority of those who are satisfied with their coverage now grasp the need for major reform.

The sticking point for many, however, is the ability to keep the insurance they have. The answer is to guarantee that option, building it into a plan that also lets people choose from a menu of private insurance alternatives (with regulated benefits and costs) or sign up for a Medicare-like public plan, which can act as a benchmark for its private competitors. That's the concept behind Health Care for America, a proposal put together by the political scientist Jacob Hacker with the support of the Economic Policy Institute.

Health Care for America is simple and flexible enough to appeal to a majority of Americans, but bold enough to do the job of covering everyone and controlling health price inflation. And it holds the promise of

becoming better over time, as more and more Americans shift over to the public plan, lured by its higher efficiency and more generous benefits.

Employers would be required to provide quality health insurance or pay into a public fund to cover their employees. But even most big companies that already insure their workers would come out ahead, with total savings estimated at more than \$50 billion per year. For small businesses that haven't been able to afford health insurance for their employees, payments into the public fund would be far smaller than the bill private insurance companies would charge them for employee premium costs. Even though many companies would be required to take more responsibility, the total health insurance burden on business would be greatly reduced.

Success on the health care front will revive faith in the ability of our national government to do big, important things in service of the common good.

Progressives are united as never before in their commitment to quality and affordable care for all. This time around, reformers must coalesce behind a politically compelling proposal, and prepare to debate it openly and explain it clearly. They should be equally clear about what they're against.

Conservatives used to be content to defend a worsening status quo. For years, they have opposed almost all attempts to restrain the insurance and pharmaceutical industries or to expand coverage by, for example, bringing millions more children into the SCHIP program. But more recently, conservative leaders have been promoting more radical and dangerous proposals to tax the health benefits that most of us get at work. That's a sure-fire way to drive more employers out of the health care business. As many as 20 million Americans could lose their insurance under a plan backed by (among others) presidential candidate John McCain.

These new proposals come from the same ideological playbook (and the same extreme right-wing think tanks) as President Bush's effort to privatize Social Security. Americans rejected that idea decisively; that's also how most people will react to the Republican (and insurance industry) health-care agenda, once they understand it. The stark contrast between the conservative and progressive vision for health care should make for a robust public debate and build support for comprehensive reform.

Through a full-throated debate over health care, progressives can awaken Americans to the broader perils of a radical economic agenda that places the risks of a volatile global and financial economy squarely on our individual shoulders. But health care advocates – national and community leaders, grassroots activists and bloggers – need to make sure such a debate happens during the 2008 election campaign and beyond.

Fifteen years after the tragedy of the Clinton health care initiative; more than 60 years after Harry Truman proposed legislation “to assure the right to adequate medical care and protection from the economic fears of sickness;” decades after that idea became the norm among the rich countries of the world, the United States has a fresh chance – a real chance – to act.

For the next administration, for Congress, and for the nation as a whole, health care will be a defining battle. Comprehensive reform could be a crucial, confidence-building first step toward a 21st century social contract – a new national commitment to the kind of basic economic security that will encourage Americans to take chances, invest in the future, and thrive in years to come. Success on the health-care front will greatly improve the prospects for success on other fronts. It will revive faith in the ability of our leaders – the ability of our national government – to do big important things in service of the common good.

No other achievement on the political horizon promises to make such a large difference in so many lives. No other breakthrough will do so much to set the stage for a broad progressive breakthrough.

# HEALTH IDEAS

## PRINCIPLES FOR REAL HEALTHCARE

To turn the promise of quality, affordable health care into reality, a new coalition, called Health Care for America Now, was launched in July 2008 with events in Washington, D.C., and in most of the fifty states. The mission of this coalition, which includes more than 230 national and local organizations, is to establish an unmistakable mandate for action, making the 2008 election campaign, which is already destined to revolve around the economy, a referendum on health care.



More than half of all individual and family bankruptcies are triggered by medical bills.

LET US RESOLVE THAT THE STATE OF A FAMILY'S HEALTH SHALL NEVER DEPEND ON THE SIZE OF A FAMILY'S WEALTH.

SENATOR EDWARD M. KENNEDY  
AUGUST 12, 1980

Decades after this idea was the norm in wealthy countries around the world, the U.S. has a fresh chance - a **real chance** - to act.

## QUALITY COVERAGE FOR ALL

Americans want an inclusive and accessible health care system that leaves no one out. That means, in the first place, high-quality insurance with comprehensive benefits - covering everything from preventive care to treatment of the most serious illness. And for low-income people and communities of color, it means a serious commitment to equity in access, treatment, research, resources - and outcomes.



## CHOICE

Americans need to be guaranteed health care options. If you like your current health insurance, you should be guaranteed that you can keep it - unlike radical conservative plans that would dismantle employer-provided health care, forcing millions to buy coverage with an inadequate voucher in the individual insurance market. Everyone should be able to choose a regulated private group plan. And everyone should also be able to sign up with something new: a public insurance plan, like Medicare, that is independent of private insurance middlemen.

Choice also means the right to pick your doctor and health care provider.

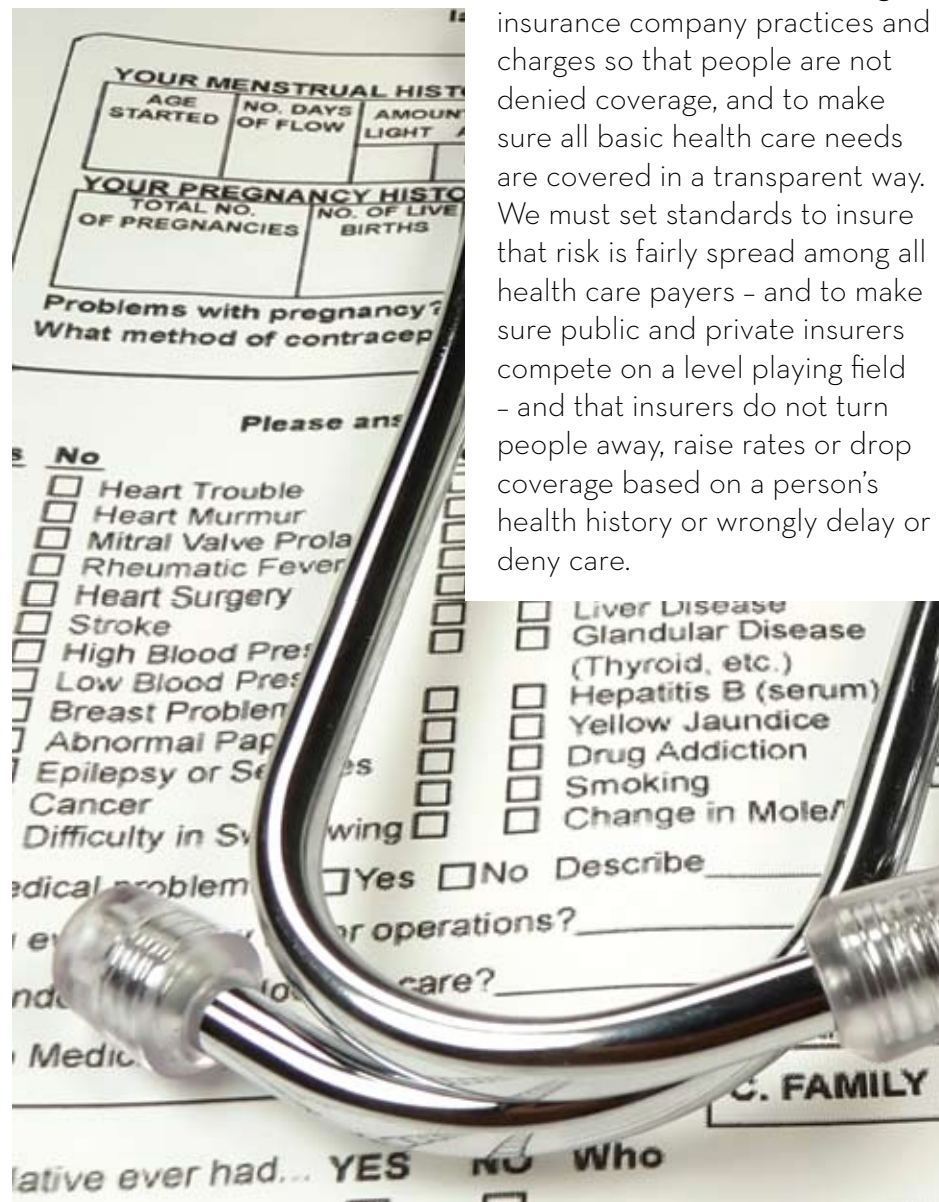
Employers, too, get expanded options. Those who prefer not to shoulder the burden of providing coverage as good as the law requires can decide to enroll their workers in the public plan at a modest cost. But they have to do one or the other, in order to ensure that affordable, quality health coverage is guaranteed for all.

## AFFORDABLE COVERAGE AND TREATMENT

Working families, retirees, large and small businesses and other employers - all need stable health care prices, with premiums and other charges based on a family's ability to pay. This will require effective cost controls that improve quality, lower administrative expenses, and encourage preventive care and active disease management. Health care reform should include performance standards and systems to reduce medical errors. And it must take advantage of public purchasing power to lower the cost of drugs and medical devices and services across the board.

The new public plan would be similar to Medicare, where administrative costs run between 2 and 3 percent of total spending, much lower than the private sector, with its expensive advertising, complex billing systems, and other costs. Together, the new public plan and Medicare would function as two very large nationwide insurance pools covering more than half the population. By bargaining jointly with providers, hospitals, and pharmaceutical companies, they would have enormous combined leverage to hold down costs. To ensure that these economies did not come at

the expense of high-quality care, the new public plan would also monitor and improve the quality of care, learning from and applying successful methods from all parts of the health system.



## A STRONG GOVERNMENT WATCHDOG

Guaranteeing quality and affordable health care for all will require consistent public leadership to set and enforce rules involving insurance company practices and charges so that people are not denied coverage, and to make sure all basic health care needs are covered in a transparent way. We must set standards to insure that risk is fairly spread among all health care payers - and to make sure public and private insurers compete on a level playing field - and that insurers do not turn people away, raise rates or drop coverage based on a person's health history or wrongly delay or deny care.

## AUTHOR

**ROGER HICKEY** is a founder and co-director of the Campaign for America's Future. He was also one of the founders of Americans United to Protect Social Security, a coalition of citizen leaders representing consumers, workers, women, seniors, young people, civil rights advocates, and community activists—united around the goal of strengthening Social Security and Medicare. Americans United is now working on Medicare prescription drugs and other issues. Hickey also helped found the Economic Policy Institute (EPI), a Washington think tank that looks at economics from the point of view of working Americans. Hickey served as EPI's vice president and director of communications. A graduate of the University of Virginia, Hickey began his career in the 1960s as an organizer for the Virginia Civil Rights Committee and the Southern Students' Organizing Committee.

Editing assistance for this piece was provided by **BILL SCHER**, who, among other things, is a blogger at [OurFuture.org](http://OurFuture.org).