

HEALTH CARE FOR ALL

Quality, affordable health care should be a right for everyone in America, not a privilege for the few. But the number of people in this country without health insurance is growing. And the likelihood of losing—or not being able to afford—good health care is striking fear in the hearts of many family breadwinners. Meanwhile, the CEOs of private insurance and drug companies are raking in huge profits.

The number of uninsured people in America has shot up to 47 million, including 9 million kids, as skyrocketing health care costs are pricing care out of reach for more and more families and businesses. Employers are passing more costs onto employees or finding it difficult to offer coverage at all. Many families are one medical emergency away from bankruptcy.

Private insurance companies profit off of this broken system by avoiding insuring those who are sick, and insurance agency clerks tell doctors what treatments they can prescribe. The time is now to fix the system and guarantee that everyone has the choice of quality, affordable health insurance.

THE CHALLENGE

Unlike every other industrialized country, America does not have a national system of public health insurance. Instead, intense lobbying by insurance companies over decades has left us with a patchwork system. Medicare, Medicaid and the Veterans Administration are public plans that cover seniors, the poor and veterans. Most other Americans get employer-provided private plans of varying quality, but the number of people covered by employers is shrinking as more and more employers decide they cannot afford to even offer coverage.

As fewer and fewer employers provide quality coverage, more and more middle-class families are vulnerable when catastrophe strikes. Today, more than half of all personal bankruptcies are due to medical bills. Every 30 seconds, someone files for “medical bankruptcy.”

Why are costs skyrocketing and squeezing working families? The administrative costs for private insurers are approximately four times the size as those for Medicare.¹ That’s because instead of providing coverage to all who need it, private insurers have a layer of bureaucracy to “cherry pick” their customers. They take on people who are less likely to get sick and deny coverage to people with pre-existing conditions. The uninsured often turn to expensive emergency rooms for their medical care, driving up costs for everyone. Furthermore, there’s been no incentive to move

HOT QUOTE

“The issue of universal coverage is not a matter of economics. Little more than 1% of GDP assigned to health could cover all. It is a matter of soul.”

UWE REINHARDT

towards electronic medical records, which would help prevent wasteful spending on unnecessary medical procedures.

Insurance companies, HMOs and private providers do compete with one another. But without standards for high quality, the competition is over who can avoid insuring the sick and the elderly—and who has a better system to deny health care to people who need it. This kind of competition has led to byzantine paperwork, soaring costs and massive waste, not affordable choices for all Americans.

Letting private insurance companies dictate the terms of our health care system simply hasn't worked. They haven't covered everybody. They haven't kept costs reasonable. They haven't given us good choices.

THE CONSERVATIVE FAILURE

Seven years of conservative rule in Washington has made the problem worse. Nine million more Americans, 47 million total, are uninsured. Family health insurance premiums have risen 57%, while fewer businesses offer their employees coverage.

Instead of expanding coverage, conservatives blocked bipartisan legislation extending health care to 4 million uninsured children—twice. They lavished billions in subsidies on insurance companies, despite an astonishing 1,084% rise in insurance company profits during the last five years. And they continually sought to cut billions from Medicare and Medicaid.

Conservatives also have been looking out for the drug companies. Conservative congressman Billy Tauzin designed the law banning Medicare from negotiating lower drug prices, sticking taxpayers with a huge bill. As soon as the law passed, he resigned and took a \$2 million job as CEO for the drug lobby. But the fellow conservatives he left behind in Congress continued to do his bidding. After a new Congress was elected in 2006, the conservative minority stifled efforts to let Medicare negotiate lower drug prices and to allow Americans to import affordable medications from Canada.

With the public demanding health care reform, conservatives can't completely ignore the issue. But their proposals would make problems worse—encouraging employers to drop health care coverage and offering individuals the illusion that tax breaks would make health insurance affordable for their families.

The insurance companies and their supporters are pushing plans that have deductibles as high as \$11,000. They would make us pay taxes on our employer-paid health benefits or offer us tax credits that pay only a fraction of our health insurance. Tax credits don't guarantee health care.

Conservatives pretend to offer freedom, yet they have left too many Americans stuck with only bad health care choices.

THE PROGRESSIVE SOLUTION

It's time to guarantee health care for all, get costs under control and offer Americans the choice between a good public insurance plan, like Medicare, and private insurance plans that can meet basic standards of benefits and cost. With this guaranteed affordable choice approach, if you have insurance you like, you can keep it. But if you need something better—or if you lose your job—you have other options.

The bold health care proposal authored by Yale University Professor Jacob Hacker, “Health Care For America,”² has reshaped the health care debate. Both Barack Obama and Hillary Clinton modeled their health care plans on Hacker's plan, published by the Economic Policy Institute.

All Americans would have a choice between private insurance plans and a public insurance plan. Quality standards would ensure that public and private plans compete on a level playing field—no more profits from “cherry picking” the young and healthy while turning away those with pre-existing conditions. We'll be able to set and enforce the rules to make sure insurance companies put our health before their profits, and we're not left at the mercy of the same private insurance companies that got us into this mess.

Employers would have to either provide quality coverage or chip in a modest amount to fund the public plan. Low-income families would receive subsidies to ensure everyone could afford coverage. Huge savings would come from slashing administrative costs, emphasizing preventative care, reducing emergency room visits and moving to electronic medical records.

An independent analysis from the nationally respected, nonpartisan consulting firm The Lewin Group found that “Health Care For America” would not only cover 99.6% of Americans but would also save \$1 trillion in health care spending over 10 years. The group concluded that an annual public investment of \$49 billion would be needed to implement “Health Care for America,” and families, businesses and state governments would immediately enjoy an equivalent \$49 billion in savings.³

Real health care choices guaranteeing quality health care for all at an affordable cost—that's how we'll finally achieve an America where quality health care is a right for all, not a privilege for a few.

HOT QUOTE

“Of all the forms of inequality, injustice in health care is the most shocking and inhumane.”

DR. MARTIN LUTHER KING, JR.

MAKING THE CASE

You know the challenge we face. You know how conservatism failed. You know how a progressive vision can move us forward. How do you crystallize the argument, deliver the key facts and take down conservative spin? Below are the tools you need to make the case in your community.

Core Arguments

Skyrocketing medical costs are pricing care out of reach for families and business, leaving us without good health insurance choices.

Proof Points

- Since 2000, family health insurance premiums have risen 57%.⁴
- 47 million Americans are uninsured, up from 38 million in 2000, including 9 million kids.⁵
- Only 60% of American businesses offered health benefits in 2007, down from 69% in 2000.⁶
- More than half of all personal bankruptcies are due to medical bills.⁷

Conservatives have blocked real reform—protecting the greedy practices of the insurance companies, which put profits before people.

- Bush and his fellow conservatives blocked bipartisan legislation—twice—that would have provided health care to 4 million uninsured children.
- Conservatives banned Medicare from negotiating with drug companies for lower prices.
- Billions in wasteful subsidies are doled out to private insurance and drug companies through Medicare Part D⁸ and Medicare Advantage,⁹ the programs that provide drug prescription coverage for seniors.
- Conservatives promote caps on jury awards in malpractice cases that would do nothing to lower health care costs but would help insurance companies.¹⁰
- While premiums are up for working families, insurance company profits rose an amazing 1,084% in five years.¹¹

Now is the time for real health care choices that guarantee quality affordable health care for all, with standard, comprehensive benefits that meet our needs.

- Guaranteed choice between quality public and private plans.
- If you have insurance you like, you can keep it. If you don't have insurance you like, or don't have it at all, you'll have real choices.
- Employers must provide quality private coverage or chip in to fund the public plan.
- We'll save \$1 trillion in health care spending over 10 years.¹²

Spotlight Story

When Steve and Leslie Shaeffer's daughter, Selah, was diagnosed at age 4 with a potentially fatal tumor in her jaw, they figured their health insurance would cover the bulk of her treatment costs.

Instead, almost two years later, the Murrieta, Calif., couple face more than \$60,000 in medical bills and fear the loss of their dream home. They struggle to stave off creditors as they try to figure out how Selah can keep seeing the physician they credit with saving her life.

"We're in big trouble," Leslie said.

Shortly after Selah's medical bills hit \$20,000, Blue Cross stopped covering them and eventually canceled her coverage retroactively, refusing to pay for treatment, including surgery the insurer had authorized in advance.

The company accused the Shaeffers of failing to disclose in their coverage application an undiagnosed bump on Selah's chin and physician visits for croup. Had that been disclosed, the company said in a letter, it would not have insured Selah.

The Shaeffers say they weren't trying to hide anything. When they applied for coverage, Selah did not have a tumor, at least as far as they—or any physician—knew. The doctor visits occurred after Leslie filled out the paperwork, and they seemed routine, the Shaeffers say. They believe Blue Cross was looking for any excuse to dump their daughter and dodge her bills.

From *Los Angeles Times*, September 17, 2007.¹³

Conservative Spin

A government take-over of health care would destroy the best health care system in the world and take away your right to choose your doctor.

Progressive Response

- With guaranteed affordable choice, if you have insurance you like, you keep it. Or, you can choose between quality private and public plans. The health care guarantee assures health plans that make sure you can pick your doctor. And it ensures that you have an insurance policy you can afford.

You think health care is expensive now, wait until it's "free."

- Guaranteeing affordable health care choices for all will require some tax revenues—\$50 to 100 billion per year depending on the plan—plus modest contributions from companies and individuals. But it will save us \$1 trillion in health care spending.
- We'll be able to slash administrative costs, emphasize preventative care, reduce emergency room visits and cut down on unnecessary procedures with electronic medical records.

What they are talking about is nothing but socialized medicine.

- Conservatives opposed great reforms like Social Security and Medicare by screaming socialism. They were wrong then, and they're wrong now.
- Guaranteed affordable health insurance would not make doctors and other health care professionals work for the government. The progressive plan is about making sure you have good health insurance you can afford and the ability to go to the doctors you want.

Americans don't want long waiting times and rationed health care.

- With 47 million without health insurance, and millions more underinsured, we're tragically rationing care right now. When we guarantee quality health care for all, people will no longer be denied health care because they can't afford it, lose their jobs or have pre-existing medical conditions.

If government can run health care so well, why is Medicare going bankrupt?

- Medicare has worked for 40 years. But the price pressures driving up costs in the private health care system affect Medicare as well.
- Medicare actually has lower overhead than private health insurance. And if we design a comprehensive program to cover all Americans, we can save \$1 trillion over the next 10 years. That will get health care costs under control and stabilize Medicare.

Lawyers are driving good doctors out of practice. Conservatives will lower costs by capping excessive jury payouts and stopping frivolous lawsuits.

- Capping jury awards would have almost no impact on health costs, according to the Congressional Budget Office. But it would help conservatives protect insurance company profits, instead of patients victimized by fraud or negligence.

Public Pulse

Voters want their government to guarantee health coverage for all.

- Voters prefer “guarantee[d], affordable health insurance coverage” by a three-to-one margin over conservative proposals such as health savings accounts or tax credits. (*Lake Research Partners, November 2007*)
- 64% agree that “the federal government should guarantee health insurance for all Americans.” (*CBS/New York Times, February 2007*)
- 64% believe “it is the responsibility of the federal government to make sure all Americans have health care coverage.” (*Gallup, November 2007*)
- 76% believe making sure all Americans have access to health care is more important than maintaining the Bush tax cuts. (*CBS/New York Times, February 2007*)

64%

64%

76%

Health care reform is a top priority for America’s voters.

- 90% say that there is a need for fundamental changes or complete restructuring of America’s health care system. (*CBS News/New York Times poll, February 2007*)
- 81% of Americans are “dissatisfied” with health care in this country. (*Gallup, November 2007*)
- 56% describe our health care system as having “major problems” and another 17% say it’s in a “state of crisis.”¹⁶ (*Gallup, November 2007*)

90%

81%

56%

Americans are concerned about the cost of health care.

- 89% say they are “very” or “somewhat concerned” about the health care costs facing their family in the coming years. (*CBS News/New York Times poll, February 2007*)
- 81% of Americans are “very” or “somewhat dissatisfied” with the cost of health care in the United States. (*CBS News/New York Times poll, February 2007*)

89%

81%

Americans support Medicare drug price negotiation.

- 79% say that Medicare should be allowed to negotiate with drug companies to get better prices for prescription drugs for senior citizens. (*ABC News/Washington Post poll, January 2007*)

79%

MORE RESOURCES

Campaign for America's Future: Health Care for All
<http://ourfuture.org/healthcare>

Economic Policy Institute: Agenda for Shared Prosperity
<http://www.sharedprosperity.org/topics-health-care.html>

The Access Project
<http://www.accessproject.org/>

AFL-CIO Health Care Project
<http://www.aflcio.org/issues/healthcare/crisis.cfm>

America's Agenda – Health Care for All
<http://www.americasagenda.org/>

Americans for Health Care
<http://www.americansforhealthcare.org/>

America's Health Together
<http://www.healthtogether.org/>

FamiliesUSA
www.familiesusa.org

Herndon Alliance
www.herndonalliance.org/

Kaiser Family Foundation
<http://www.kff.org/>

Medicare Rights Center
<http://www.medicarerights.org/>

Physicians for a National Health Program
<http://www.pnhp.org/>

Robert Wood Johnson Foundation
<http://www.rwjf.org/>

Universal Health Care Action Network
<http://www.uhcan.org/>

Endnotes

¹Karen Davis, Ph.D., "Time for Change: The Hidden Cost of a Fragmented Health Insurance System," The Commonwealth Fund, 1 March 2003. http://www.commonwealthfund.org/publications/publications_show.htm?doc_id=221616

²"Health Care for America," Economic Policy Institute. <http://www.sharedprosperity.org/topics-health-care.html>

³"Cost Impact Analysis for the 'Health Care for America' Proposal," The Lewin Group, 15 February 2008. <http://www.sharedprosperity.org/hcfa/lewin.pdf>

⁴The Henry J. Kaiser Family Foundation, Employer Health Benefits 2007 Annual Survey: Exhibit 6.3 Average Annual Firm and Worker Premium Contributions and Total Premiums for Covered Workers for Single and Family Coverage, by Plan Type, 2007, 11 September 2007. <http://www.kff.org/insurance/7672/sections/ehbs07-6-3.cfm>. (Adjusted for 2006 dollars)

⁵United States Census Bureau, "Income, Poverty, and Health Insurance Coverage in the United States: 2006," August 2007, <http://www.census.gov/prod/2007pubs/p60-233.pdf>

⁶"Whither Employer-Based Health Insurance? The Current and Future Role of U.S. Companies in the Provision and Financing of Health Insurance," Sara R. Collins, Ph.D., Chapin White, Ph.D., and Jennifer L. Kriss, Commonwealth Fund, September 2007. http://www.commonwealthfund.org/publications/publications_show.htm?doc_id=522916

⁷Health Affairs, "Marketwatch: Illness and Injury Contributors to Bankruptcy." 2 February 2005. <http://content.healthaffairs.org/cgi/content/full/hlthaff.w5.63/DC1>

⁸The waste and inefficiency built into the structure of the Medicare Part D prescription drug program will add more than \$800 billion to the cost of prescription drugs to the government and beneficiaries over its first decade. See "The Excess Cost of the Medicare Drug Benefit," Dean Baker, Ph.D., Center for Economic and Policy Research and Institute for America's Future, February 2006, <http://www.ourfuture.org/report/excess-cost-medicare-drug-benefit>

⁹Our government pays Medicare Advantage plans roughly \$1,000 more per beneficiary per year than it would cost to cover the same person through traditional Medicare, costing \$149 billion over 10 years. See "Curbing Medicare Advantage Overpayments Would Strengthen Medicare," Center for Budget and Policy Priorities, 5 December 2007, <http://www.cbpp.org/12-5-07health.htm>

¹⁰"Even a reduction of 25 percent to 30 percent in malpractice costs would lower health care costs by only about 0.4 percent to 0.5 percent". See "Limiting Tort Liability for Medical Malpractice," Congressional Budget Office, 8 January 2004, <http://www.cbo.gov/ftpdocs/cfm?index=4968>. More at <http://www.saynotocaps.org/factsandfigures/justthefacts.htm>

¹¹Profits of the 18 health insurance companies that make up the Corporate Library's health insurance industry classification, based on an AFL-CIO review of 10-Ks.

¹²"Cost Impact Analysis for the 'Health Care for America' Proposal," The Lewin Group, 15 February 2008, <http://www.sharedprosperity.org/hcfa/lewin.pdf>

¹³"Sick but Insured? Think Again," *Los Angeles Times*, 17 September 2007, <http://www.consumerwatchdog.org/nw/?postId=6833>

