

**Thinking Big on Health Care**  
**By Jacob Hacker**  
**February 11, 2009**



Thank you – I am truly honored to be here before all of you.

For years, I've come to the Take back America conferences that many of you have probably attended and said I cannot wait until I can say "*We've got America.*"

I wish I could say that today. We're so much closer; but we're not there yet.

All the ideas we were fighting have demonstrably failed. Yet now we must clean up after the failures and rebuild. We're like the families left behind in New Orleans after the waters receded. The worst is over but the hard work is just beginning.

And rebuilding means more than just rebuilding the floodwalls. We need to rebuild our shining city on a hill on higher ground. We have to repair the broken promises and the broken dreams –above all the broken American Dream.

And nowhere, nowhere is this more important than health care.

Our health financing system is an economic and moral disaster. If it were a company, we'd be selling off its possessions. If it were a bank, no amount of troubled-asset relief would save it.. If it were a politician, we'd be sending him to spend time with George W. Bush clearing brush down in Crawford – now that's punishment.

And nowhere, nowhere is Thinking Big more important than in health care.

Yes, we have to build on the best of what we have – that's political reality.

Let's not leave ourselves vulnerable to the fear-mongering of our opponents, who, rest assured, are gearing up to terrify people into believing that they'll lose what they have, however troubled or tenuous or temporary what they have is.

But let's also face something more important than political reality; actual reality. And the actual reality is that much of what we have simply doesn't work. We spend far too much to cover far too few with far too little positive effect on people's health.

And for far too long we've had to settle for small ideas and triangulation, rather than to celebrate big ideas and leadership

The economic recovery package is a step in the right direction—and we must insist that it include all the immediate commitments on health care we know are needed. But economic stimulus is like CPR for a patient with heart disease; it will resuscitate the patient, if we're lucky, but it won't provide the cure.

What we need is nothing more and nothing less than a New New Deal – one that’s about sharing risk among all Americans, not just bailing out those at the top.

FDR put it best in 1938: “We must face the fact that in this country we have a rich man's security and a poor man's security and that the Government owes equal obligations to both. National security is not a half and half matter: it is all or none.”

Roosevelt, of course, wanted health care to be part of that all or none bargain. But he put it off, fearing the opposition.

And that’s been the story ever since. Every fifteen years we work ourselves up into a frenzy of outrage—and every fifteen years we fall short of the ultimate goal

We cannot, we must not, fall short today.

We must put money in the budget, now, as an up-front investment —the budget that cannot be filibustered by an obstructionist minority of 41.

We must have real leadership from real health reformers—not faux reformers that cut services for needy Americans in states like, say, Tennessee.

And we must have real long-term cost containment that ensures affordability quality care over the long term, and that means we must have a public health insurance plan competing with private companies.

Some say we cannot afford to provide affordable quality care to all.

The truth is that we cannot afford not to.

We cannot afford to have our workers and our businesses saddled with high and rising costs that eat into paychecks and lock workers into jobs.

We cannot afford another bankruptcy or foreclosure because health insurance wasn’t there for a family when they needed it, or there at all

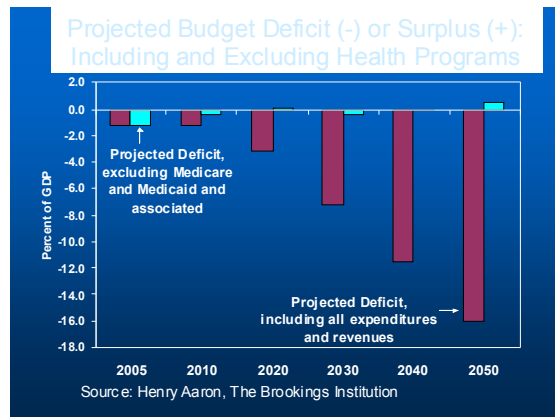
We cannot afford to have hundreds of thousands more Americans die—22,000 working-age adults a year from the lack of coverage alone—because we failed, once again, to fix our broken health care.

*They* surely cannot afford another failure to act.

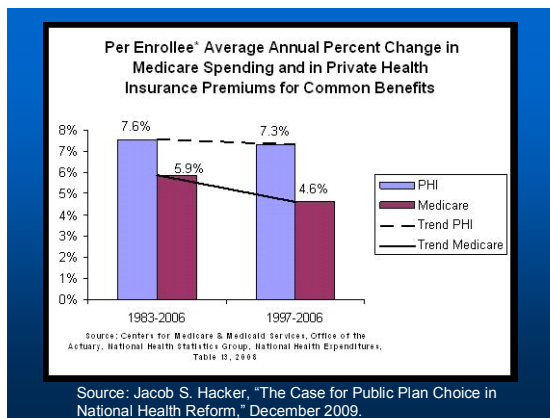
Nor can our public budgets afford another failure to act. If we do nothing, the public resources for everything else we value is in peril.

The entitlement problem, as it's called—as if guaranteeing good basic benefits is a bad thing—is not a Social Security problem; it's not an aging problem; it's not even a Medicare problem; it's a health care problem.

As this analysis by the health economist Henry Aaron makes clear, the long-term federal budget looks surprisingly rosy without health spending; with it, it looks catastrophic. There could be no stronger proof that the problem isn't entitlements in general; it's runaway health costs.



But we should also recognize that the problem is more about runaway *private* health spending than runaway government spending. In fact, Medicare—for all its imperfections—has controlled costs substantially better than private insurance plans, it's doing better relative to them over time, and it could do even better in the future if we built on its successes and expanded its reach.



Take a look at the numbers. As Ronald Reagan once said, "Facts are stubborn things."

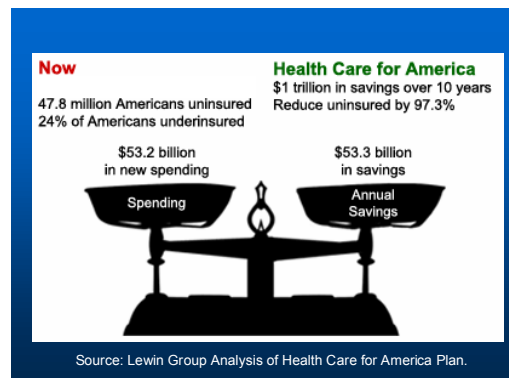
So here are the facts: Private insurers have failed us. Period. If they want to be part of the deal, they have to play on our terms

Everyone should be covered. Period. And not by requiring that the uninsured purchase unaffordable private coverage, but by automatically enrolling them at their place

of work or when they receive public benefits or seek care without insurance.

And, finally, everyone who doesn't have good coverage from their employer should be able to buy into a public health insurance plan modeled after Medicare. Period. This is the only way to ensure that we can keep private insurers in line and costs in check.

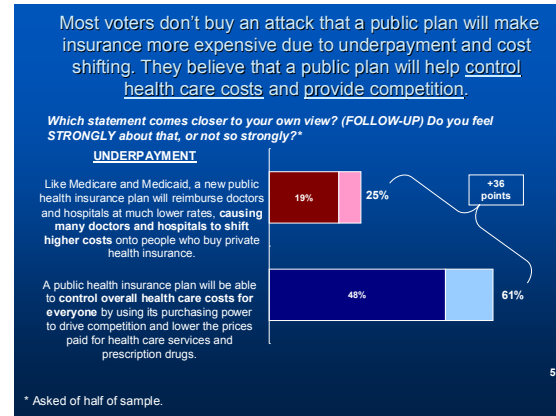
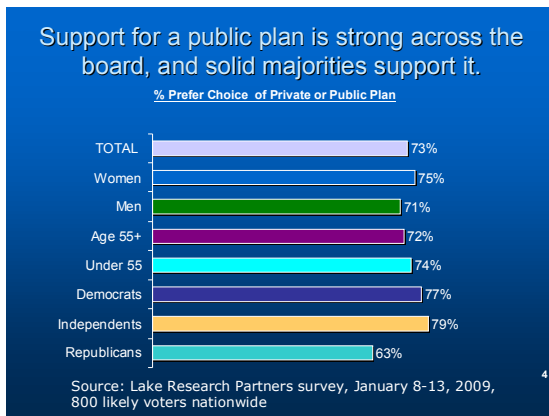
This isn't speculation. According to an independent analysis, the proposal I developed,



“Health Care for America,” which rests on competition between private plans and a public health insurance plan, would cover everyone for around \$50 billion in new federal spending while saving \$1 trillion over the next ten years.

What are the insurers scared of? Simple: They’re scared it will work. They talk about unfair competition. That’s a code word for competition that’s *not* rigged in their favor like Medicare’s current system of grotesque overpayments.

The insurers say, “Oh, people won’t like that!” Maybe they should ask Americans how they feel about Medicare. Or maybe they should take a look at this poll, which shows Americans of all walks of life overwhelmingly say they want a choice of public health insurance—and they believe it’s essential to containing costs.



The late William Buckley said of conservatism that it’s goal was to stand atop history yelling stop. Well, they certainly are yelling, but history is passing them by

Let us remember, however, that history doesn’t just happen. It is made. FDR made it three quarters of a century ago. And we must make it again today.

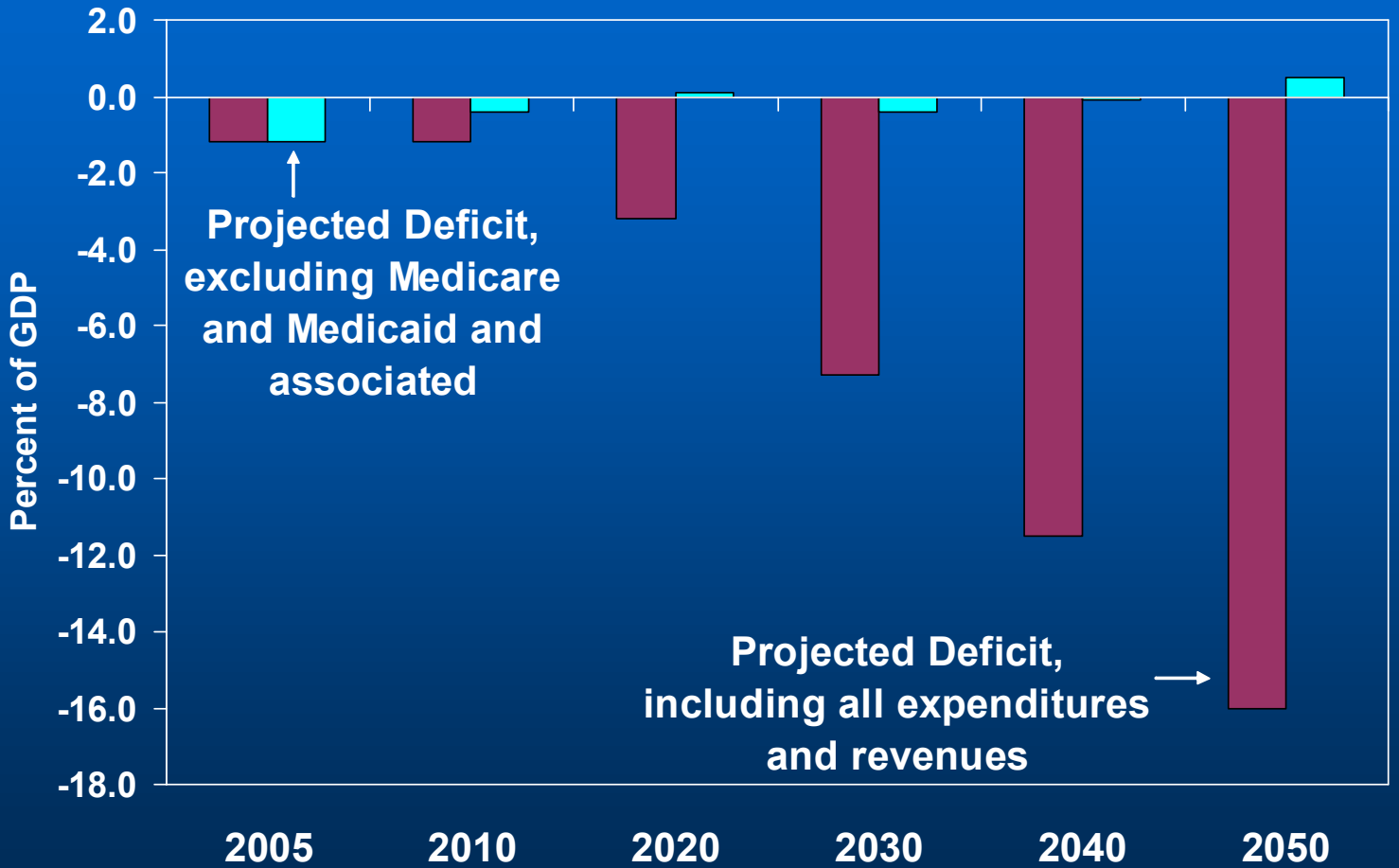
On the third anniversary of the Social Security Act, FDR declared, “There is still today a frontier that remains unconquered--an America unclaimed. This is the great, the nationwide frontier of insecurity, of human want and fear. This is the frontier--the America--we have set ourselves to reclaim.”

It is well past time that we conquered that great frontier of want and fear once and for all.

Health Care for America—Now!

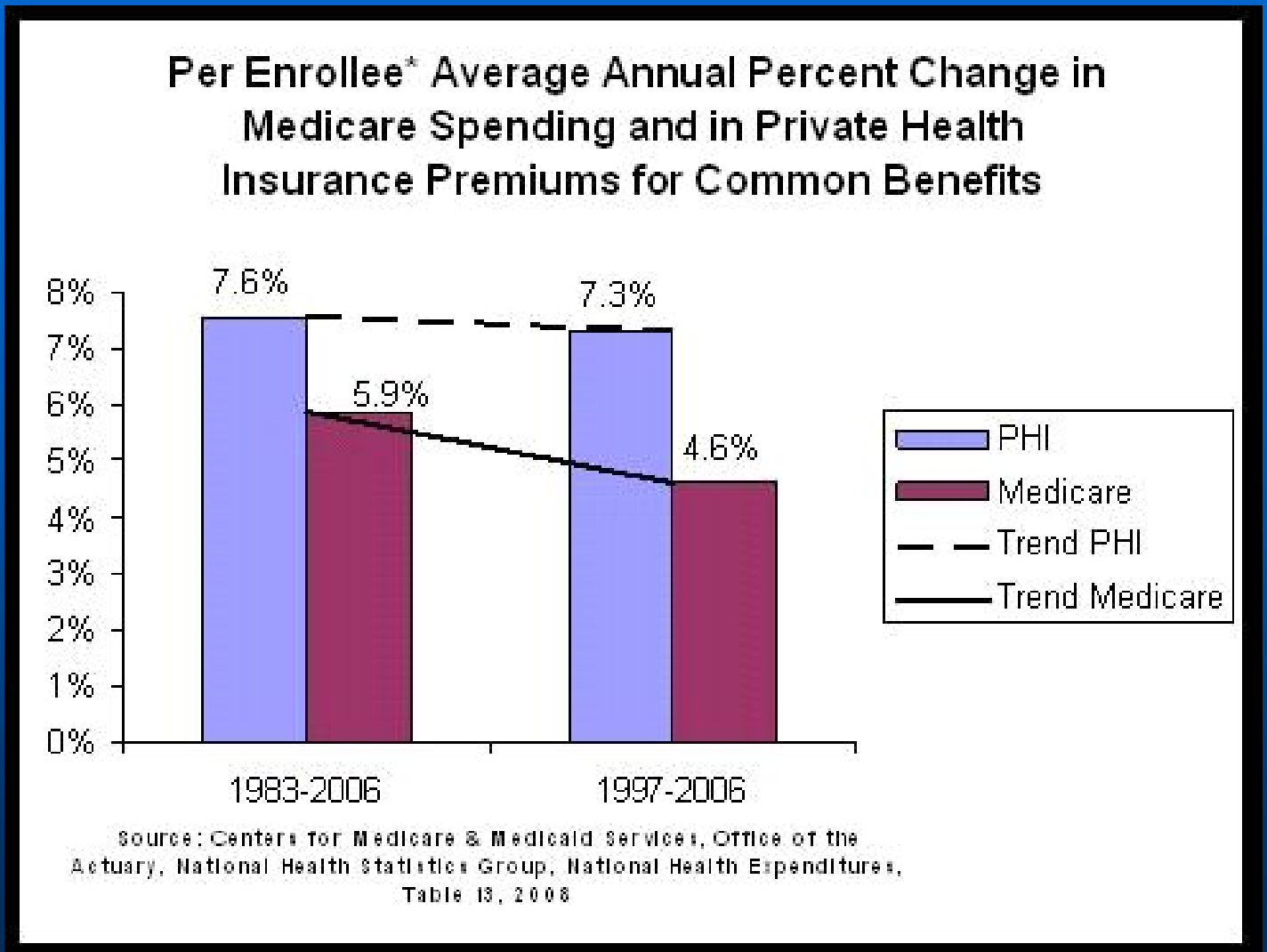
Figure 1

# Projected Budget Deficit (-) or Surplus (+): Including and Excluding Health Programs



Source: Henry Aaron, The Brookings Institution

Figure 2



Source: Jacob S. Hacker, "The Case for Public Plan Choice in National Health Reform," December 2009.

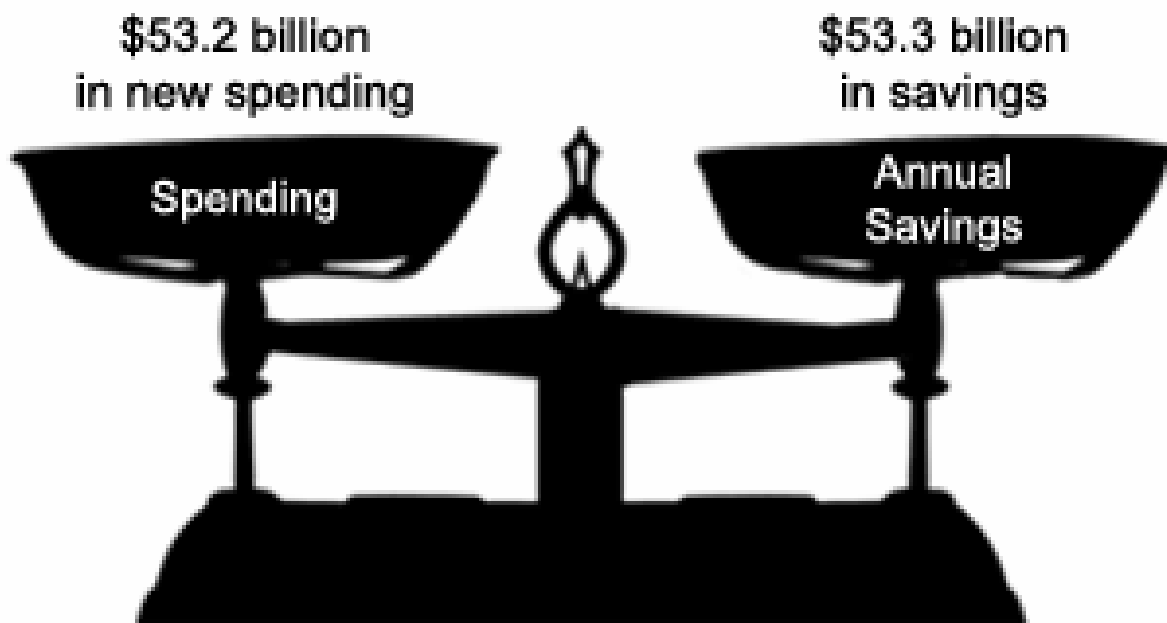
Figure 3

**Now**

47.8 million Americans uninsured  
24% of Americans underinsured

**Health Care for America**

\$1 trillion in savings over 10 years  
Reduce uninsured by 97.3%

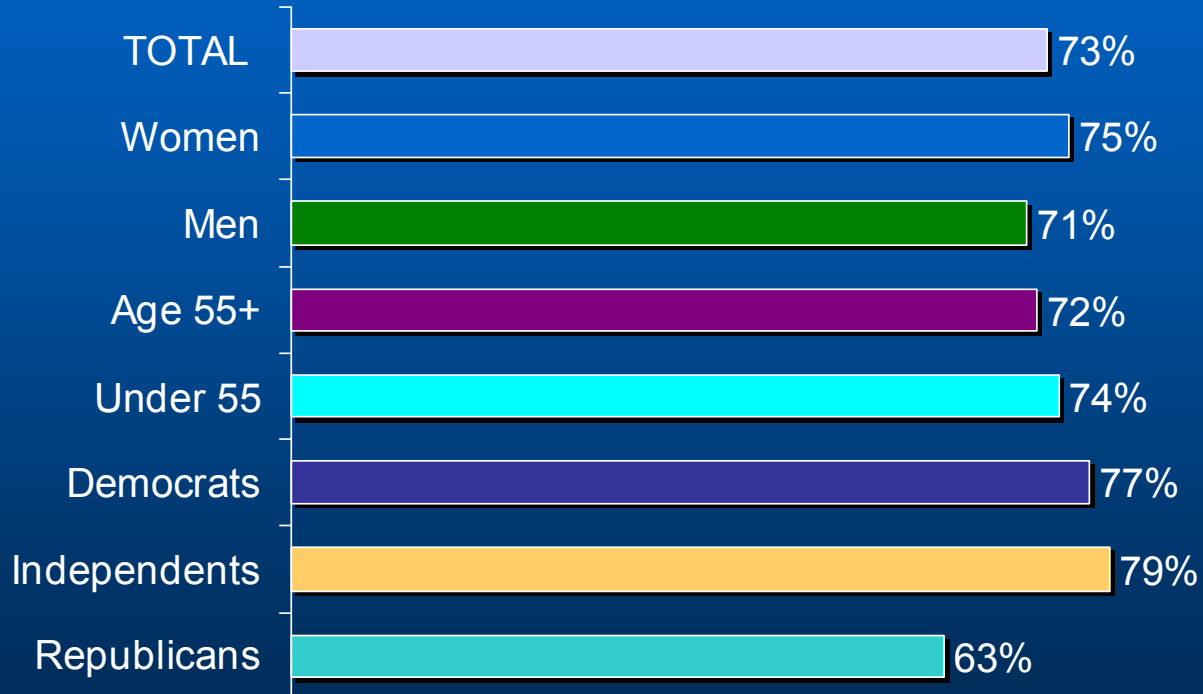


Source: Lewin Group Analysis of Health Care for America Plan.

Figure 4

## Support for a public plan is strong across the board, and solid majorities support it.

% Prefer Choice of Private or Public Plan



Source: Lake Research Partners survey, January 8-13, 2009, 800 likely voters nationwide