Yes, We Can! Can We?

THE NEXT FAILURE OF HEALTH CARE REFORM

By VICENTE NAVARRO

A major problem–if not the major problem–for many people living in the U.S. is the difficulty of accessing and paying for medical care when they are sick. For this reason, candidates in the presidential primaries of 2008–the Democrats more often than the Republicans–have been recounting stories about the health-related tragedies they have encountered in meetings with ordinary people around the country (an exercise conducted in the U.S. every four years, at presidential election time). These stories tell of the enormous difficulties and suffering faced by many people in their attempts to get the medical care they need. I have been around long enough–I was senior health advisor to Jesse Jackson in the Democratic primaries of 1984 and 1988–to know how frequently Democratic candidates, over the years, have referred to such cases. The only things that change are the names and faces in these human tragedies. Otherwise, the stories, year after year, are almost the same.

In the Democratic Party primaries of 1988, for example, candidate Michael Dukakis talked about a young single mother who had two jobs and still could not afford medical insurance for herself and her children. In 1992, Bill Clinton did the same, changing the story only slightly. This time it was the case of a woman with diabetes who could not get health insurance because of her chronic condition. And now, in the 2008 primaries, Hillary Rodham Clinton (whom I worked with on the White House Health Care Reform Task Force in 1993) describes a similar case. This time it is a single woman, with two daughters, who cannot pay her medical bills because her congenital heart defect makes it impossible for her to get medical insurance coverage. And Barack Obama describes similar cases, with the eloquence that characterizes all of his speeches. He frequently refers to his own mother, who had cancer and had to worry not only about her illness but about paying her medical bills.

All these cases are tragic and are representative of a situation faced by millions of people in the U.S. every year. But, I am afraid that unless the winning Democratic candidate, once elected president (and I hope he or she will be), develops a more comprehensive health care proposal than any of those put forward in the primaries so far, we will see the same situation continue. Democratic candidates in the 2012 primaries, and in the 2016 primaries, will still be referring to single mothers with chronic health conditions who cannot pay their medical bills. The proposals put forward by Obama and Clinton underestimate the gravity of the problem in the U.S. medical care sector. The situation is bad and is getting worse: the number of people who are uninsured and underinsured has been growing since 1978.

Let's start with the uninsured, those people who do not have any form of health benefits coverage. There were 21 million uninsured people in the U.S. in 1972. By 2006, that number had more than doubled to 47 million. And this increase has been independent of economic cycles. The number of uninsured grew by 3.4 million from 2004 to 2006, even as a resurgent economy raised incomes and lowered poverty rates. Meanwhile, during those years, the Democratic Party establishment distanced itself from any commitment to resolving these problems. Even though the 1976, 1980, 1984, 1988, and 1992 Democratic Party platforms included calls for health care benefits coverage for everyone (what is usually referred to as "universal health care"), that call was usually made without much conviction. In the primaries of 1988, when I was involved in preparing the Democratic platform, Dukakis (the winner of the primaries) resisted including universal health care in the party platform. He was afraid of being perceived as "too radical." He had to accept it, however, because Jesse Jackson agreed to support Dukakis (Jackson had 40% of the Democratic delegates at the Atlanta convention) only if the platform included this call for universal care.

Then, in 1992, Bill Clinton (who borrowed extensively from Jackson's 1988 proposals) put the call for universal health care at the center of his program. But, once president, his closeness to Wall Street and his intellectual dependence on Robert Rubin of Wall Street (who became his Secretary of the Treasury) made him leery of antagonizing the insurance industry. It was President Clinton's unwillingness to confront the insurance companies that led to his failure to honor his commitment to work toward a universal health care program (see my article "Why HillaryCare Failed" http://www.pnhp.org/hillarycare,

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November 12, 2007). The type of reform President Clinton called for was a health insurance-based model called "managed care," in which insurance companies remain at the center of health care. An alternative approach could have been to establish a publicly funded health care program (which was favored by the majority of the population) that would cover everyone, providing medical care as an entitlement for all citizens and residents. This could have been achieved, such as by expanding the federal Medicare program to cover everyone. To do so, however, would have required neutralizing the enormous power of the insurance companies with a massive mobilization of the population against them and in favor of a comprehensive and universal health care program.

But President Clinton's loyalty to Wall Street prevailed. His administration's top priorities were reduction of the federal deficit (at the cost of reduced public social expenditures) and approval of NAFTA (without amending President George H. W. Bush's proposal, which Clinton had inherited, and refusing to address the concerns of the labor and environmental movements). These actions antagonized and demoralized the grassroots of the Democratic Party. Clinton lost any power to mobilize people for the establishment of a universal health care program. This frustration of the grassroots, and especially the working class, also led to the huge abstention by the Democratic Party base in the 1994 congressional elections and the consequent loss of the Democratic majority in the House, the Senate, and many state legislatures. At the root of this disenchantment with the Clinton administration was its unwillingness to confront the insurance companies and Wall Street. Could that happen again?

The health care mess (Nixon dixit)

Before addressing this question, let's look at the problems people face in the U.S. But first, I should stress that the country has sufficient resources to provide comprehensive, high-quality medical care to everyone who needs it. The U.S. spends 16% of its GNP on medical care, almost double the percentage spent by Canada and most countries of the European Union (E.U.) on providing universal, comprehensive health care coverage to their populations. We in the U.S. spend $2.1 trillion on medical care, making the medical care sector one of the largest economies in the world (if the medical care sector were a country, rather than a massive sector within a country). And it has been estimated that this spending will reach 20% of GNP in a few years (7 years according to some, 12 years according to others). Lack of money is not the root of the medical care problem in the U.S. We spend far, far more than any other developed country, and far more than what we would need to provide comprehensive health care coverage for everyone. The frequently heard argument that the U.S. cannot afford universal, comprehensive care has no credibility. It is a poor rationale for keeping the situation as it is.

Despite the huge amount of money spent on medical care, the situation of the U.S. medical care sector is a disgrace. Even Richard Nixon, in an unguarded moment, defined it as a mess. And as noted above, it has gotten much worse since Nixon was president: in 2006, 47 million Americans did not have any form of health benefits coverage, and 108 million had insufficient coverage. And people die because of this. Estimates of the number of preventable deaths vary, from 18,000 per year (estimated by the conservative Institute of Medicine) to a more realistic level of more than 100,000 (calculated by Professor David Himmelstein of Harvard University). The number depends on how one defines "preventable deaths." But even the conservative figure of 18,000 deaths per year is six times the number of people killed in the World Trade Center on 9/11. That event outraged people (as it should), but the deaths resulting from lack of health care seem to go unnoticed; these deaths are not reported on the front pages, or even on the back pages, of the New York Times, Washington Post, Los Angeles Times, or any other U.S. newspaper. These deaths are so much a part of our reality that they are not news. How can this be tolerated in a country that claims to be a civilized nation?

The Democratic candidates' proposals

The proposals put forward by the current Democratic candidates for president, Barack Obama and Hillary Clinton, will improve the situation. They will diminish somewhat the number of those not covered by health insurance and will reduce the level of undercoverage. But the major problems will remain unresolved, including the problems the candidates have referred to during their campaigns. People will still experience incomplete coverage, and many millions will continue to be uninsured and underinsured. Not even the mandatory health insurance called for by Hillary Clinton will resolve these problems. Her plan proposes that, just as a car driver in the U.S. must have car insurance, so a citizen or resident will have to have health insurance. The problem with this mandate is not only–as Obama has pointed out–the matter of enforcement (note that according to some estimates, up to 20% of car owners drive without car insurance), but the assumption behind the policy. The assumption is that most people who are not insured are "free-riders," people who could afford to buy insurance but choose not to, and choose to let someone else pay for their care when they get sick. But the vast majority of people who are uninsured are people who cannot afford to pay for it. It's as simple as that. Massachusetts passed a mandate of this sort (under Governor Mitt Romney), but 198,000 people still remain uninsured. The subsidies and tax incentives proposed to help the uninsured pay for health insurance premiums under plans of this type are insufficient.

Another proposed mandate (put forward by Clinton more strongly than by Obama) is that all employers must provide insurance coverage to their employees–a policy proposed by President Nixon back in the 1970s. But with this proposal, unless you force employers to

provide comprehensive coverage at an affordable cost to everyone, the problem will still not be resolved. An even greater problem with the employer mandate, however, is that it continues to tie health benefits to employment, which is a perverse system and a nasty one. The reason employers, in 1948, pushed to make health care benefits dependent on employment (in the nefarious Taft-Hartley Act) was that this was a way of controlling workers. The Taft-Hartley Act forced the labor force to get health care benefits through collective bargaining agreements that are highly decentralized and are negotiated at the place of employment. In the U.S., workers who lose their jobs lose not only wages, but also health benefits coverage for themselves and their family. And if these workers want to keep their insurance, they have to pay prohibitive premiums. So, a worker will think twice before striking. This is one reason why the U.S. has fewer working days lost to strikes than other developed countries. Until recently, employers have been the major force–besides the insurance companies–for keeping the current system of funding and managing health care. This system, then, is based on an alliance between employers and the insurance industry.

It is this alliance that is responsible for the biggest problem of health care benefits: undercoverage. Most people believe that because they have health insurance, they will never face the problem of being unable to pay their medical bills. They eventually find out the truth–that their insurance is dramatically insufficient. Even for families with the best health benefits coverage available, the benefits are much less comprehensive than those provided as entitlements in Canada and in most E.U. countries. And paying medical bills in the U.S. is a serious difficulty for many people. In fact, inability to pay medical bills is the primary cause of family bankruptcy, and most of these families have insurance. Furthermore, 20% of families spend more than 10% of their disposable income on insurance and medical bills (the percentage is even higher for those with individual insurance: 53%). In 2006, one of every four Americans lived in families that had problems in paying medical bills. And most of them had health insurance.

The inhumanity of this situation is made evident by the fact that nearly 40% of people in the U.S. who are dying because of terminal illness are worrying about paying for care–how their families are going to pay the medical bills, now and after they die. No other developed country comes close to these levels of insensitivity and inhumanity. Meanwhile, the federal government parades around the world as the great defender of human rights, ignoring the fact that among the developed democratic nations, the U.S. is the most deficient in human rights. The basic right of access to health care in time of need does not exist in the U.S. The United Nations Human Rights Declaration includes this right in a prominent position, but this is a declaration that the U.S. Congress has never signed. It should come as no surprise that the world's people do not believe the U.S. government is a great defender of human rights abroad, since it does not guarantee even basic rights at home.

And here again, things are getting worse. The percentage of uninsured and underinsured has been increasing. The proportion of people with employer-based health benefits coverage declined from 67.8% among the non-elderly in 2000 to 63% in 2006–even though the economy was booming during those years. In the same period, the number of adults without coverage increased by 8.7 million, and from 2004 to 2006 the number of children without coverage increased by 1 million.

Why does this situation persist in the U.S.?

For any society, medicine is a mirror of the power relations in that society. And nowhere is the lack of human rights more evident than in the house of medicine. In the U.S., insensitivity toward human needs goes hand-in-hand with enormous profits made from that suffering. The root of the problem, as noted earlier, is not lack of money but the channels through which that money is managed and spent. The problem is the privatization of the funding of medicine that allows profits to boom. The insurance and pharmaceutical industries enjoy the highest rates of profit in the U.S. Just last year, insurance industry profits reached $12 billion, and pharmaceutical industry profits $49 billion, the highest in the U.S. and in the world. According to Fortune Magazine, health-related industries are among the most profitable industries in the country. A lot of money is being made from people's suffering. This scandalous situation is easy to document. For example, lanzoprasol, a gastric secretion-reducing medicine widely used in the U.S., costs $329 in Baltimore, U.S.A.; the same medicine (same number of doses) costs $9 in Barcelona, Spain! And the current Bush administration signed legislation for a program that, in theory, covers drug costs for elderly people, but in practice this is an enormous rip-off. It forbids the government to negotiate with the drug industry on the cost of drugs–that is, the price of their products. What this means is that the federal government pays the prices dictated by pharmaceutical companies.

Now, one might well ask, Why does this continue? Why hasn't our government done something about it? Is it that the government could not provide comprehensive health benefits coverage? It certainly could. All E.U. governments do so. All provide publicly funded, comprehensive health care coverage to their entire population. And on this side of the Atlantic, Canada (which once had a system identical to ours, health insurers included) also provides this entitlement to all its citizens. In Canada in the 1960s, a social democratic government in Saskatchewan did a very logical thing. My good friend, Dr. Samuel Wolfe, who was then Chief Health Officer of Saskatchewan, proposed to the province's social democratic government that rather than paying premiums to insurance companies, people would pay earmarked taxes to a public trust fund, controlled by their representatives. This trust fund would negotiate

with doctors and hospitals for the payments they would receive for the care they provided. This saved a lot of money by bypassing the insurance companies. The Saskatchewan Health Plan provided comprehensive care to everyone in the province at a much lower cost than before. Soon, the other provinces adopted similar plans, establishing Canada's nationwide health plan that now covers everyone. The overhead for the public system in Canada is only 4%, compared with 30% in the U.S. insurance industry–30% that goes to marketing, administration (a lot of paper shuffling goes on in U.S. health care), and the salaries of extremely well-paid executives and insurance lobbyists. One of the best-paid individuals in this country is William McGuire, CEO of an insurance company–United. He makes $37 million a year, plus $1.7 billion in stock options. And all of this money comes from premiums paid by people, many of whom have insufficient coverage.

The insurance companies have enormous power, both in Washington and in most state legislatures. In Maryland, for example, a former governor arranged for candidates for Insurance Commissioner to be interviewed by the insurance associations before he made his final selection. But, insurance industry influence is strongest in Washington. In the U.S., money is the milk of politics. The electoral process is also privatized. And the insurance companies pay a lot of money to candidates. According to the Center for Responsive Politics, the insurance industry has contributed $525,188 to Hillary Clinton, $414,863 to Barack Obama, and $274,724 to John McCain. As a consequence, not one of the candidates is asking for a publicly funded system. The major players in medical care in the U.S.–insurance companies, drug companies, professional associations, etc. (the list is long)–have given a lot of money to the candidates. The splendid document called the U.S. Constitution, which begins "We the people " should have a footnote "and the insurance companies, the drug companies, " The U.S. Congress is indeed the best Congress money can buy (for a further discussion of how money corrupts the electoral system, see my article "How to Read the U.S. Primaries: Guide for Europeans," Counterpunch, February 13, 2008). The privatization of the electoral process (with most of the money that pays for campaigns coming from economic, financial, and professional interests, and from 30% of the nation's highest-income earners) corrupts the democratic process. I am not implying that politicians are corrupt (although some are). I am willing to admit that most are honorable persons. But the need to constantly raise funds for their campaigns (election and re-election) corrupts the democratic system. And the unwillingness of most members of Congress to change this situation makes them accomplices in that corruption. Such practices are illegal in most democratic countries.

And people know all about this. In surveys, 68% of people believe the U.S. Congress does not represent their interests, but the interests of the financial and economic groups that fund political campaigns. But the establishments, including the political, media, and academic establishments, want everyone to believe that the reason we don't have a universal health program is that people don't want it. They would like people to believe that Congress legislates what people actually want. Meanwhile, the long list of public policies that people want but do not get from their government is growing: 65% of people want a publicly funded health care system similar to that in Canada, a system that in academic language is called single-payer. In a single-payer system, the government, rather than the insurance companies, negotiates with providers–doctors, hospitals, nurses, etc.–for the provision of medical care. We already have a system of this type in Medicare (with an administrative overhead of only 4%, compared with the 30% in the insurance system). By eliminating the huge administrative expenses, we could provide comprehensive health care coverage for everyone without spending an extra penny.

The possibilities for major change

Obama and Clinton are ready to admit that single-payer may be better than any other alternatives. Obama spoke out in favor of it at one time:

> "So the challenge is, how do we get federal government to take care of this business? I happen to be a proponent of a single payer health care program. I see no reason why the United States of America, the wealthiest country in the history of the world, spending 14% of its Gross National Product on health care cannot provide basic health insurance to everybody. And that's what Jim is talking about when he says everybody in, nobody out."
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> "A single payer health care plan, a universal health care plan. And that's what I'd like to see. And as all of you know, we may not get there immediately. Because first we have to take back the White House, we have to take back the Senate, we have to take back the House." (Barack Obama in 2003 before the Illinois AFL-CIO)

But, something happened on the way to Washington. The train derailed. Now Obama claims that his declaration was taken out of context. And Hillary Clinton, in 1993, told me that while single-payer might be the most logical model, it was politically infeasible.

I hope both candidates will reconsider. At this time, neither candidate's proposal will resolve the health care crisis we are facing. And in 2012, candidates will still be talking about single mothers who cannot pay for medical care for themselves or their children. The candidates of 2008 should be asking for government mandates rather than individual mandates. It is not people who should be mandated to get insurance. It is the government that should be mandated to provide insurance for everyone as an entitlement.

The need to mobilize

Obama has been able to capitalize on the anti-establishment mood in the country. And he has inspired many. While I believe that large numbers of people–the grassroots of the Democratic Party who support him–do want change and are firmly anti-establishment, I am concerned that they are putting too much faith in one individual. Without diminishing what candidate Obama has achieved, the fact is that he has already shown himself to be adaptable to the political context. He was once against the war in Iraq. But, in Congress, his votes on Iraq have been indistinguishable from those of Hillary Clinton. And in health care, his rather disappointing proposal will not resolve the problems. I am very worried that once in power, he will not have the courage to confront the extremely powerful lobbies primarily responsible for the lack of health care coverage and the undercoverage of the American people. It happened with Bill Clinton's administration and it may happen again. Contrary to what Obama and others have said, the main problem with Hillary Clinton's Task Force in 1993 was not its secrecy (although secrecy was indeed a problem) but a conceptual framework based on an insurance model–managed care–that was pushed on the political, media, and academic establishments by the insurance companies. The ideologues of managed care were clearly in charge of the Task Force. It could happen again.

To prevent this, there is a need to mobilize. History is not made by extraordinary figures but by ordinary people who can move mountains when they believe in a cause and get organized. It has happened all over the world, and it has happened in the U.S. We saw it in the establishment of the New Deal, Social Security, unemployment insurance, job creation, minimum wage, and subsidized housing, among other programs. These were not just the outcome of President Roosevelt's position, but the result of huge social agitation and mobilization. As usually happens in historical moments of societal change, government leaders were not so much leading as trying to catch up with what millions of people were demanding. Similarly, the Great Society Programs–Medicare, Medicaid, Environmental Protection Agency, NIOSH, OSHA, and many other examples of progressive legislation–were the outcome of massive mobilizations. Candidate John Kennedy's proposals for change were rather moderate, and his domestic policies, once he was elected, were also disappointing. But the mobilization triggered by his election was followed by many more, such as Appalachian coal miners' strikes against their working conditions, the splendid civil rights movement led by Martin Luther King, and the anti-Vietnam War movement led by student groups. They all established a political climate in which progressive legislation could occur. History, indeed, does not repeat itself. But it offers us pointers on where to go. And it should be obvious that change will not occur unless there is a huge mobilization to complete the unfinished agenda of civil rights: a full development of social rights, with the human right to access to health care at the center.

To achieve that right, we need reforms more substantial than those put forth by either Democratic candidate. The splendid slogan first used by the great trade union leader Cesar Chavez, founder of the United Farm Workers of America, was Yes, We Can! This should guide the call for establishing the right to health care. But, for that to happen, the current holders of the slogan must heighten their expectations and become more ambitious in their proposals. This is what the electorate expects from them in their promises of change

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