

## Groundswell builds in support of major health-care reform

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SAN FRANCISCO (MarketWatch) -- It's been more than a dozen years since the nation's leaders last entertained the idea of guaranteeing a basic level of health insurance to all Americans. Drives for universal health care generally have happened in 12- to 15-year intervals since the 1930s, making the U.S. ripe for another attempt, public policy experts say. The most recent push occurred in 1993 when President Clinton proposed an ambitious plan that failed to gain political traction. A reprise may be on the way. Health-care reform that goes beyond incremental tinkering is high on the domestic agenda of the Democratic presidential candidates as more middle-class families are subjected to the kind of upheaval that having no or insufficient insurance can bring. Twenty-eight percent of the National Association of Realtors' 1.3 million members, who are independent contractors in many cases, lack health insurance. About 45 million Americans are uninsured and millions more don't have enough insurance to keep them solvent in an emergency.

A growing consensus among employers, unions, workers and some doctors portrays the current system for delivering medical care as both undesirable and financially unsustainable. AARP, the largest advocacy group for people over 50, has launched TV ads in California decrying the state of health care. "There's no question that it's a complete and total disaster," Jacob Hacker, professor of political science at Yale in New Haven, Conn., said of the current system. "It costs too much and it covers too few, and the quality of care is not as good as it could be." Health-care spending accounted for an estimated \$2.1 trillion last year, or 16% of the U.S. gross domestic product, and is expected to climb to \$4.1 trillion, or 20% of GDP, by 2016, according to a forecast from the Centers for Medicare and Medicaid Services.

The coming election may force politicians to confront health care again partly because employer-provided insurance, on which 155 million Americans depend, has weakened, Hacker said. "There's been a substantial decline in the reach of employer-provided insurance," he said, noting that many employers are reluctant to sponsor it or can't afford to offer it at all. Small businesses have been particularly hard hit. The share of employers offering health insurance to at least some workers fell to 61% last year from 69% in 2001, according to the Kaiser Family Foundation.

Universal care is more than a moral issue this time. Many businesses complain that their health-care obligations are hurting their profits and global competitiveness. Continuing to expect employers to be the primary funders of health insurance for the working-age population "is a rickety structure on which to run a 21st century labor market," Hacker said. Barriers remain. Still, many of the same obstacles to revamping the health-care system persist, such as a patchwork of state and federal laws, widespread disagreement over whether government or the private insurance industry is apt to do a better job and whether financial incentives can be reorganized so patients can get the care they need without losing their life savings if they suffer a misfortune. "I do think the chances [for achieving universal care] are better than they have been, but I think it's a very tough sell," said Jonathan Cohn, author of "Sick: The Untold Story of America's Health Care Crisis -- and the People who Pay the Price." "There are always those groups that oppose universal health care," he said. "Most Americans still have health insurance and until they have a medical catastrophe tend to think they're a little more secure than they are, so it's a tough fight."

Apart from constituencies of doctors, hospitals, unions, employers, insurers and drug companies, Americans themselves are ambivalent about changing the system. Various polls have shown both a desire for change and an aversion to risking loss of services they already have in what could be a rocky transition. A majority of Americans support broadening insurance coverage, according to a Harris Interactive/Wall Street Journal Online poll of 2,400 adults released last week. Three out of four favor a variety of methods, including employer mandates, government subsidies for the uninsured and tax credits to help people afford health benefits. But only 26% said they're willing to pay more in taxes to extend coverage to those who don't have it through public programs such as Medicare or Medicaid.

Capturing broad public support is only the first challenge the candidates face, Cohn said. "Universal health care is a great campaigning issue," he said. "It sounds good. People like it. It polls well. The problem is once you get into the legislating because that's when it gets hard. You get the lobbying and you get the pushback and you get the misinformation." To enact a major reform, the momentum for change has to be so strong that indecisive lawmakers will fear punishment from voters more than they will attacks by special-interest groups, Cohn said.

### **Women, states weigh in**

As states experiment with health-care reform and presidential candidates respond to public anxiety about holding onto increasingly unaffordable health insurance, a day-long Women's Health Summit attracted about 100 women to a San Francisco

church last week to discuss an issue they say is important to their gender's welfare: universal health care. Among their concerns is that a combined approach that requires individuals who can't get employer-sponsored or government health benefits to buy individual policies would unfairly penalize women. "Throwing women into the individual market would be disastrous," said Elizabeth Patchias, a health policy analyst for the National Women's Law Center in Washington who participated in the event, sponsored by the Women's Working Group on Universal Health Care. Patchias said individual policies' high cost-sharing and lack of coverage for benefits such as maternity care put women in an impossible situation. "That's going to create situations where their coverage is meaningless and they're not in any way going to benefit from it." Women use more health-care services on average than men and tend to have lower incomes, and more problems with medical bills and related debt, than their male counterparts, according to a report from the NWLC. Faced with a growing number of underinsured Americans and lessons learned from the Clinton plan, methods for addressing health care are different this time, said David Knowlton, president of the New Jersey Health Care Quality Institute, a nonprofit foundation in Trenton. "What's shifted is the move more toward universal coverage using a variety of different plan designs as opposed to government as the only payer," said Knowlton, who is working with New Jersey state Sen. Joseph Vitale on a statewide reform bill.

In the absence of federal action, states such as Vermont and Maine have introduced programs aimed at universal coverage. Massachusetts passed a law a year ago that laid the groundwork for the shared-responsibility approach now being considered by California, which has a much higher uninsured rate. In a move hailed for its political compromise, Massachusetts lawmakers voted to cover the vast majority of state residents by requiring employers to provide insurance or pay into a pool, expanding government subsidies for poor people and forcing individuals to purchase health insurance on the market or face tax penalties. Those who can't find an affordable policy can get help from an agency, the Commonwealth Health Insurance Connector Authority, which is devising affordability standards based on income. State lawmakers have been grappling with how to provide baseline coverage that would include benefits such as prescription drugs without inflating the cost beyond what people could afford to pay outside the employer system. The plan has been implemented in installments, with final regulations to be hammered out in June.

Massachusetts has succeeded in newly covering 120,000 people since July, reducing its previous uninsured rate of between 400,000 and 500,000, said Brian Rosman, research director Health Care for All, an advocacy group in Boston.

**Let doctors be doctors** Still, some critics bristle that employers with 11 or more workers who choose not to offer them health insurance only have to pay \$295 per employee per year, he said. And there's concern that the health plans on offer are of poorer quality than in the past. Alan Sager, professor of health policy and management at Boston University School of Public Health, is among the skeptics. "Massachusetts is rearranging the dollars available for vulnerable people and calling it insurance," he said. "Massachusetts is not working in any way to contain costs by squeezing out waste and using the savings to protect vulnerable people or to hold down premiums." Reforms would work better if they addressed clinical waste and gave doctors more discretion over how to spend a capped sum of money, Sager said. "The key thing is to liberate doctors to do what they're trained to do, which is to think clinically," he said. "Doctors need to steer by a clinical compass, not a legal compass or a financial compass, and we need to put money into their hands in circumstances that legitimately allow us to trust them." "We've created very complex formulas for paying for care that impose huge financial burdens and that stem from mistrust and lack of fundamental peace treaties that other countries, for all their problems, have negotiated years ago," Sager said. "We don't need blame. We just need to work out deals that are trustworthy, durable and in the public interest."

Many analysts agree that states' universal health-insurance efforts won't dissuade federal lawmakers from attempting an overhaul on a national scale. Said Sager: "Congress would have much more confidence in acting if states were to succeed in doing something."

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