

# Health Care Reform: Maybe It Is Time to Throw the Baby Out with the Bath Water!

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I laugh out loud when I hear people proclaim, "America has the best health care system in the world." I defy anyone to identify exactly what the current health care system is in America. The United States spent \$2.4 trillion on health care in 2008; it's projected to reach \$4.3 trillion by 2016. At this rate, we'll be spending 20% of our GDP by 2017. Germany (10.7 % GDP), France (9.5%), and Canada (9.7%) provide universal coverage for half of what we're spending. In 2006, 46 cents of every dollar spent on health services came directly from government sources.

There are over 46 million Americans without health insurance and this number is skyrocketing. Let's review who the uninsured are: according to KeithHennessey.com, a blog run by a former Bush Administration White House economist, there were 45.7 million uninsured in 2007. 6.4% actually have Medicaid insurance; another 4.3% are eligible for Medicaid/CHIP; 9.3% are non-citizens; 10.1% make more than 300% of poverty (approximately \$30,600 in 2007 for a single person); 5% are childless adults aged 18-34; and 10.6% don't fall into any of these categories. This isn't the time to have a discussion about immigration, but it should be noted that the Kaiser Family Foundation has done a well-researched report about immigrants and health insurance. Everyone without health insurance obviously doesn't require free or subsidized health insurance, but there is a strong case that everyone needs to have health insurance.

The percentage of people (workers and dependents) with employment-based health insurance has dropped from 70% in 1987 to 62% in 2007. While no system is perfect, we are the ONLY industrialized country that doesn't guarantee everyone has access to affordable health care. We spend six times more on administrative costs than other western nations. 43% of people with health insurance are somewhat to completely unprepared to cope with a medical emergency. The average employer provided health insurance plan for a family of four was \$12,700 in 2008. Workers contributed nearly \$3,400. Since 1999, employment-based health insurance premiums have increased 120%, compared to 44% cumulative inflation, and wage growth of only 29%! No wonder when health care costs are consuming profits and wage increases. Bankruptcies, home foreclosures, and business failures...you get the idea.

For those of you who are still holding on to the idea that we have the best system, let's talk about health outcomes. Surely those of us who have health insurance are receiving the best possible care. The Institutes of Medicine estimates that nearly 100,000 patients die in hospitals each year due to medical errors; Health Grades reported 238,000 preventable deaths from

2005-2007 in the Medicare population. We're spending \$35 billion per year to cover the costs of preventable adverse events such as lost income, lost household functioning, disability and health care costs. Medication errors account for over 7,000 deaths annually. According to the Mayo Clinic, approximately 30-40% of all health care spending is associated with failures such as duplicative services and poor communication.

In 1988, ten insurers covered 27% of all insured Americans. Today, four publicly traded companies, WellPoint, Inc., United Health Group, Aetna, Inc, and Cigna provide coverage to 85 million people with private insurance. As shareholder profits became the focus, insurance companies reduce the amount of money they spend on health care by reducing covered services, raising deductibles and co-pays, refusing to cover pre-existing conditions, and maximizing their numbers of young and healthy clients. Health Savings Accounts have been heavily promoted. WellPoint, the nation's largest insurance company attempted to convince the Federal Reserve that their primary business was financial services and pledged to limit health care costs to less than 5% of total revenue! WellPoint is an independent licensee of Blue Cross Blue Shield in some states and is an administrator for the federal Medicare program. United Health Group reported that 2<sup>nd</sup> quarter profits in 2009 were \$21.66 billion based on increased premiums despite losing 150,000 people in fee-based programs and 260,000 people in risk-based plans. They still insure approximately 70 million people.

Campaign contributions and lobbying fees are the only things that are increasing faster than health care costs. According to Common Cause in a June 24, 2009 report called Legislating Under the Influence, health care interests, defined as health insurance companies, pharmaceuticals and health products, hospitals and HMOs, and health professionals, are spending \$1.4 million per day on lobbying costs in 2009. Over \$3 billion dollar has been spent on lobbying since 2000. They have contributed over \$373 million to members of Congress since 2000 and roughly \$178 million went to members serving on five key committees or sub-committees handling health care matters.

What's the answer? The League supports health care coverage for all; cost management; improvements of health care quality and safety; equitable financing; and simplified administration. It's time for us to pay heed to Voltaire when he said "The perfect is the enemy of the good" and Teddy Roosevelt's comment, "I have always maintained that our worst revolutionaries today are those reactionaries who do not see and will not admit there is any need for change." The time for health care reform is now.