

U.S. must rise above the 'requiem' for Clinton's health care reform

by Linda Everett

Just one year after President Bill Clinton urged Congress and the country to enact his comprehensive health care reform proposal, Senate Majority Leader George Mitchell (D-Me.) reluctantly announced on Sept. 26 that it was impossible to pass either a scaled-back version of health reform, or even one that assures coverage for 10 million uninsured children, because congressional Republicans had made it clear that "they would oppose *any* health care bill this year, modest or not, bipartisan or not." President Clinton responded with a statement regretting the stalemate, but vowing, "We are not giving up on our mission to cover every American and to control health care cost."

Mitchell, who had earlier declined a Supreme Court appointment in order to focus his attention on the reform effort, said that the turning point for his decision came during a meeting at the White House the week before: "When the Republican leaders of the House and the Senate told President Clinton, in my presence, that they would oppose any type of health care legislation this year, and then went on to state that not only would they oppose any health care legislation, but that, if an attempt was made to pass it, they would try to kill other, unrelated legislation which they otherwise might have supported, that clearly endangered every aspect of the legislation agenda and, in effect, placed other important measures in the position of being held hostage to health care legislation."

"The events in the last week are unprecedented in the history of the Senate and the history of our nation," Mitchell said. "We've not had a situation, to the best of the knowledge of the Senate historian and the Senate parliamentarian and others . . . in which we had a filibuster on trying to take a bill to conference." He said there is now a Republican policy in place "to block anything and everything, no matter what." Since Mitchell's announcement, the Republicans tried to put the blame on the American people, not the GOP, for killing health care reform. House Minority Whip Newt Gingrich (R-Ga.) boasted, "We take responsibility for having defeated a big-government, big-bureaucracy, big-tax health plan that the American people repudiated." Gingrich claims that he is sorry that Congress has lost two years, rather than passing some good incremental reforms.

But, the fact is that the Republicans themselves had even retreated from their own reform proposals. And, while sena-

tors such as Harris Wofford (D-Pa.) were calling for passing some kind of incremental reform or a "first step" that Congress can expand upon later, the Republicans repudiated the most minimal incremental proposal such as the one made by Sen. Tom Harkin (D-Iowa).

The Harkin and Chafee proposals

In his proposal, "Covering Our Nation's Kids: A Downpayment of Health Care," Harkin calls for expanding health care coverage for the 8-10 million currently uninsured children, because "they should not have to wait while we debate the best way to reform the entire system." While it's difficult to assess the proposal from the three-page summary, it has several useful provisions, and, unfortunately, like all proposals coming from the Hill, it has severe limitations and problems, including using Medicare cuts for its funding. The proposal calls for making subsidies available for eligible families to purchase private insurance coverage. Unlike Republican mandates, no co-payments or deductibles will be allowed for any preventive services for children and pregnant women. Other provisions allow the self-employed to fully deduct the cost of health care coverage from their taxes; provide for long-term care for the elderly and disabled; and limit exclusions for pre-existing conditions by insurers to six months, with no lifetime limits on benefits. Funding would come from increased cigarette and tobacco taxes and Medicare cuts.

In September, Mitchell had repeatedly stated that there was agreement with much of Sen. John Chafee's (R-R.I.) "Mainstream" proposal, which had already had the bipartisan support of some 20 senators. It's hard to believe that American popular opinion defeated the efforts at health care reform, as Gingrich claimed, since several congressional sources told *EIR* that the original proposal's most controversial elements had been intentionally left out of the circulating 31-page summary. Mainstream was also an "incremental" proposal which David Durenberger (R-Minn.) characterized favorably as taking care of deficit reduction and efficiency, and moving on from there later. Chafee's original health reform plan calls for a \$100 billion deficit reduction over 10 years and a rapid phaseout of the Medicaid program. People living in poverty are promised vouchers to buy private insurance, but, at the same time, the plan's "fiscally responsible" fail-safe mechanism would automatically delay phase-in of

vouchers whenever a budget deficit looms.

The “incremental” proposal was seen as the last hope for compromise before Congress adjourned in mid-October. Republicans, including Senate Minority Leader Bob Dole (R-Kans.), originally supported it. In fact, the Chafee plan reportedly utilized several financing mechanisms from Dole’s own proposal, including radically cutting Medicaid Disproportionate Share (DSH) payments to hospitals that serve large uninsured populations. Also to be cut was the Medicaid program that assured the screening and treatment

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for millions of indigent infants, toddlers, and children, many of whom are chronically ill and disabled. Combined, these programs make up between 40% and 70% of revenues that public and children’s hospitals depend upon. Another \$400 billion in Medicare and Medicaid cuts are triggered in 2004 if 92% of Americans are not insured. For good reason, Representatives McDermott (D-Wash.) condemned the plan, saying it would devastate public hospitals and set the country back 30 years in terms of entitlements. It’s not now known how much Mitchell amended the basic tenets of the plan, but some form of the Chafee plan is to be introduced when Congress returns in January.

The Hill-Burton litmus test

What’s clear is that none of these plans either recognizes or is committed to the program necessary to address the vast and desperate needs of 110 million uninsured and underinsured Americans, let alone the present and future health care needs of the nation as a whole. If Americans are to vote on what health care plan they want at the polls this November, as Sen. Phil Gramm (R-Tex.) has proposed, they will have to ask what are the principle and premise behind these bills. Compare today’s bipartisan fixation on using health care reform to somehow reduce the budget deficit to \$100 billion—at a great cost of human life—with the 1946 Hill-Burton mandate to produce the medical facilities and staff necessary to assure a national capability to provide adequate health

care. The Hill-Burton Act, which defined a national health care policy to provide universal care, established the per capita standard of how many doctors, hospital beds, and medical facilities were necessary to deliver adequate services (see *EIR*, July 29, 1994).

Why have most Americans forgotten about Hill-Burton? What Americans think they know about health care reform comes from one austerity-minded source or another—thus the need for the “Hill-Burton litmus test.” Contrary to Republican claims, the major force in deciding the defeat of health care reform was the health delivery and insurance companies, and not the American people. Most people have heard that the insurance companies reportedly paid \$25 million for television advertising to manipulate public views on health care reform. But, even the journalists who cover health care issues often accept “contributions” of as much as \$10-20,000 from insurers, managed-care, and pharmaceutical firms for making public speeches, according to the May issue of the *American Journalism Review*.

Republican or Democratic labels on reform bills are no guide, either. A new report by Citizen Action, a consumer group, shows that for the first 19 months of the current election cycle, the health and insurance businesses spent over \$46 million on congressional campaign contributions. For instance, Sens. Phil Gramm and Dave Durenberger were among the biggest moneyraisers from the health and insurance businesses, raising over \$1 million each over the last 15 years. Bob Packwood (R-Oreg.) recently gloated, “We’ve killed health care reform: Now we’ve got to make sure our fingerprints are not on it.” Well, then, maybe the fingerprints belong to the health and insurance companies who contributed \$1,032,193 to Packwood between 1974 and 1994. These businesses, which are the primary opponents of comprehensive health care reform, currently have a \$19 million war chest to persuade congressional candidates of their views.

Finally, consider the National Governors’ Association (NGA), which has demanded carte blanche from the federal government in crafting state reform of health care and the Medicaid program. The NGA brings together public and private policymakers “to share resources, experience, [and] to provide financial support” to the NGA’s Center for Policy Research. Who are the policymakers? The same major insurance and managed-care cartels and pharmaceutical firms that stand to profit from state reforms; their policies have wreaked chaos and loss of life in some states where *their* reforms were implemented already. Among the contributors are Aetna, Blue Cross of California, Ciba, Cigna Corp., Glaxo Inc., Golden Rule Insurance, Johnson and Johnson, Prudential Insurance Co. of America, Travelers, Mass Mutual Life Insurance, Blue Cross/Blue Shield, Health Trust, Lederle Labs, and United HealthCare Corp.

Insurance reforms: whose benefits?

Insurance reform is another issue Americans will also have to look at: In *EIR*’s review of the original Chafee Mainstream

plan, it was noted that the so-called insurance reforms could have been written by the health insurers themselves. Chafee did receive over \$359,884 in contributions from pharmaceutical, health, and insurance political action committees in the last 19 months. And so, Chafee's plan not only allows the insurers to impose those infamous six-month waiting periods for pre-existing medical conditions, but also allows a family to be clobbered with a new six-month waiting period *every time* it suffers a three-month lapse in insurance coverage.

How likely is it that you might lose coverage for three months? And, how many Americans would be affected by this single provision? In a March 1994 release of its study, the U.S. Department of Commerce reports that *25% or about 60 million Americans* had a lapse in their health insurance coverage during a 32-month period between 1990 and 1992: The likelihood of a lapse in coverage increases dramatically under certain conditions: Up to 38% of those who were jobless for one month or more had lapses in coverage, as did 52% of those whose income fell below the poverty line for one month, and 47% of those who participated at some point in major assistance programs, such as Social Security Income, food stamps, or housing assistance.

Another report by Families U.S.A. estimates that some 2.25 million Americans lose their health coverage every month. Some are later able to recover, but not without facing increased economic hurdles. The Clinton administration cites 1 million Americans as losing their insurance monthly.

What about those pre-existing conditions? According to a 1992 Citizen Fund report (based on a 1989 federal survey), one in three Americans, or an estimated 81 million people, have at least one pre-existing condition. Currently, they face a series of predicaments, including paying as much as 50-70% more in health insurance than those with no known medical problem. Insurers often drop such enrollees outright or force them off a plan by rapidly escalating the cost of premiums. If uninsured, those with a pre-existing condition face a daunting task of finding a new insurer. Bare-bones policies offer low premiums, but families must pay as much as \$10,000 in deductibles, and the benefits are often capped annually and carry extremely low lifetime limits. Frequently, only the costliest plan provides the medical coverage they need. And, anyone seeking treatment for the pre-existing condition may be forced to wait from six months to two years before being eligible for coverage.

The Chafee proposal would not allow insurers to deny coverage because of a pre-existing condition, but there's another snag. Chafee's plan preempts most state laws restricting health maintenance organizations (HMOs) or insurance companies. This means HMOs and insurers can restrict the number or type of physicians they'll allow to practice in their plans. An insurance plan may "cover" a service, just as it may "cover" a preexisting condition, but it doesn't have to provide the specialist capable of treating the problem in your area. You may need a cardiologist, but if your plan refuses to sign one up in your geographical area (even though there may be many willing to

participate in the plan), either you travel at some inconvenience and cost to be treated by your plan's physician; or, you are treated at significant additional cost by a local cardiologist outside your plan. Or, you go untreated.

Under Chafee's original plan, HMOs can dictate if and when a patient is allowed to see a specialist. His Federal Health Commission is prohibited from specifying what provider types (doctors, nurses, aides) will deliver services, a provision which destroys the most fundamental national medical standards.

This nation deserves better. Americans can produce a better universal health care system, using the principles behind Hill-Burton Act to guide us.

The minority had a veto

From Senate Majority Leader George J. Mitchell's Sept. 26 statement regarding health care legislation in the 103rd Congress. Emphasis is his.

President Clinton and the Democratic Congress . . . [have] made a strong effort to reform the existing health insurance system so that every American could afford private health coverage as good as that which covers Senators and Members of Congress.

The President made this effort a high priority. First Lady Hillary Rodham Clinton devoted thousands of hours to it. Many members of Congress, mostly Democrats, but including some courageous Republicans, worked to develop reforms in our health care system. We welcomed a President who supported our work on health reform.

Most Americans like our health care system, but they know the health *insurance* system needs fixing. Too many families have lost insurance because a child got cancer or a father lost his job. Too many families can't afford to pay \$300 or \$400 a month if the place they work doesn't provide insurance. I believe all Americans have a right to affordable, high-quality health care.

Unfortunately, the overwhelming majority of our Republican colleagues do not agree. Under the rules of the Senate, a minority can obstruct the majority. This is what happened to comprehensive health insurance reform. . . .

Although the Republicans are in the minority in the Congress, in the Senate, they're a minority with a veto. Therefore, it is clear that health insurance reform can not be enacted this year.