

Building Momentum for Health Reform in the First 100 Days: Why This Time is Different
Ellen R. Shaffer and Joe Brenner
Jan. 20, 2009

Let's be clear. Refusing to make health care readily available is barbaric. That doesn't mean it will be easy to slay this particular dragon. But this is looking like the year that we can build the momentum to do it.

We need a down payment on reform in the First 100 Days to save our existing public sector social health insurance programs, and expand them to everyone. We need to direct federal stimulus funds to the socially useful purpose of expanding health care coverage. We need to get used to saying "social" in public.

Why is this the time? The most important is that the incoming Administration is led by a community organizer and a team of brilliant Web wonks. On the policy side, Obama's proposed health plan is pretty cautious. But on the organizing side, he shows no signs of clamping down on campaign mode. The house parties, the online polls, the direct emails and web dialogues, have opened up unprecedented lines of communication with policy makers and among citizens. And we're finding out that lots of us like the idea of universal health care, including systems financed by a single, government payer.

The second reason is the financial crisis and the need to pump large sums of public dollars into the economy quickly. This however involves largely theoretical economic projections that too often send the health care debate awry. More on this in a minute.

Further, as jobs disappear and employers look for ways to cut costs, more and more of us aren't getting health insurance through work. Many employers have long resisted turning the keys over to the government, either because they like using health benefits to help control the workforce or because they just don't like the government. However some are now closer to throwing in the towel.

At the same time, the new Congress is chomping at the bit to fix up the public sector health plans we do have. Before you could even say President Obama, the House passed a bill covering 4 million kids up to age 25 under the State Children's Health Insurance Program. The Senate will soon follow suit. Still-President Bush will not be around to veto it this time.

Members of the generally conservative Senate Finance and House Ways and Means Committees are proposing to build on the successful Medicare program by starting Medicare coverage at age 55 or even 50. There are proposals to cover all unemployed or poor people through Medicaid.

Congress is also forging ahead to patch up the crown jewel of our health care system, Medicare. Unlike private insurance, Medicare covers just about everyone over age 65, if we've paid in through taxes over time. You never lose it. They can't keep you out of it or kick you off

if you have one of the notorious pre-existing conditions (news flash: eventually we all develop one of these), or because employers decide to terminate retiree health benefits. It is reliable, and has low administrative expenses.

But the Medicare Modernization Act of 2003 that created a prescription drug program included some poison pills intended to privatize, defund and destabilize Medicare. Here again, Congress is on a roll. Last week the House voted to disregard Section 803, that would trigger automatic cuts once the program, inevitably, starts relying on general funds for 45% of expenditures. Sen. Nelson proposes to allow the government to negotiate for lower drug prices. Still to be fixed: we now pay newly created private Medicare Advantage plans 13% more than traditional Medicare. And all of us, in at least six as yet unknown cities, will be marked to participate in a demonstration project in 2010 to privatize Medicare using vouchers. To sign on to the call by the Alliance to Restore Medicare, to eliminate these wrongheaded provisions as we move to expand coverage please see: www.alliancetorestoremedicare.org

Given these overall positive signs, what could possibly deter us?

Back to the stimulus. We need places to put a lot federal money, quickly. In addition to SCHIP, Medicare and Medicaid, we have states and counties that can no longer maintain their basic safety net services, from public health labs and hospitals to in-home support for severely disabled people.

We should invest the money where it would really help, like buying people permanently into Medicare and Medicaid, as some in Congress propose, and shoring up basic safety net services, from public health labs and hospitals to in-home support for severely disabled people.

An alternative proposal would subsidize premiums for COBRA, to temporarily help laid off employees pay out of their own pocket to buy into the health insurance program they would have had through work, for 102% of the employer's premium. At over \$1,000 for a family, the program is unaffordable for most

Why not take the public sector route? Some just oppose public sector health insurance. Some economists worry that if we spend a lot of money quickly on health care coverage, it's not clear that the health care system has the capacity to handle a flood of new patients. Although if there is a flood of new patients, that will create new jobs, which is good and will stimulate the economy. On the other hand, if there is not a flood of new patients, it may be hard to spend enough money quickly enough to stimulate the economy.

Whereas with COBRA, no such problems. The money goes straight down the tubes, almost entirely wasted on administrative expenses and high fees for private insurance plans. Money churns through the system, does very little productive or long-lasting, and most of it goes directly to the financial sector, not to the "real" economy.

Does this sound a lot like how we got into this mess in the first place?

There are legitimate concerns about the economic impact of coverage expansions. But we managed when we began Medicare, as have other nations with populations older than ours. Both recent and historical analyses by the Congressional Budget Office and other authorities provide some illumination, although, as with other massive experiments, definitive answers won't be known until we try. Unlike pumping money into the financial system, expanding access to health care will have real, tangible benefits for human beings who need it.

We propose a campaign to try a little harder. It's pretty simple. Work with Congress to act in the First Hundred Days, by May, to expand SCHIP, Medicare, Medicaid and the safety net to cover everyone under 25 and over 50, and who is unemployed or low income. Begin to expand community public health programs that are tackling the underlying social and economic causes of poor health, from low-wage jobs to unhealthy food to discrimination.

That gets us in motion to do what we know we need to do: Cover everyone with a heartbeat for health care, through an equitable, quality, universal, affordable health care system. An EQUAL system, of publicly guaranteed social insurance (meaning, we're all in it, and they can't kick us out). Tackle the distortions to the health care delivery system by shifting the center of gravity from specialty care to primary care services, increasing the use of information technology, and increasing a focus on evidence-based care. Assure that all of our health care programs, including Medicare, are financially sustainable.

Most critically, invest in improving the public's health: Tackle preventable inequities in health status by social and economic status/class, race, and gender, and support healthier jobs and communities. Design the pending Transportation bill to encourage clean technologies and sustainable communities.

We can do it. We will do it. Our time is now.