

Is Health Care Reform Finally at Hand?

Reno Gazette-Journal / RGJ.COM

Tuesday, July 1, 2008

Between now and the national nominating conventions later this summer, this column will explore the prospects for health care reform in the United States. I will examine the major health care policy issues facing the next President, compare the competing reform proposals of the presumptive nominees, and assess the degree to which anything proposed by the nominees represents “government run healthcare” or “socialized medicine.”

A thread running this discussion is my contention that reform of the nation’s health care system must simultaneously improve access and control costs (no small task), yet will ultimately fail if reform efforts don’t contain explicit strategies to improve the health of the entire population and to reduce health disparities in the US – that is to say, solutions must incorporate strategies that put the health of the public back into health care reform.

Access and Costs

As was the case in the early 1990s, pressures for national health care reform are building as we approach the next presidential election. Then as now, the country faced a recession and was engaged in a Middle East war that took our collective attention, not to mention dollars, away from domestic concerns.

Reform momentum has been given an added boost with the prospect of an Obama presidency and Democratic majorities in both houses of Congress. The return of health care reform to the national policy agenda, however, has much more to do with access and cost problems that have steadily worsened over the past couple of decades.

Since the demise of the Clinton plan, two fundamental problems of the US health care system – growing access barriers to care for millions of Americans without health insurance and the high and rising cost of medical care – have been dealt with Congress in piecemeal fashion. And, most genuine reform efforts have taken place at the state level, including most notably, Massachusetts’ attempt to provide universal coverage to residents of that state.

Other important health care issues are, of course, on the reform agenda and closely tied to access and costs, including uneven health care quality, threats to patient safety, medical malpractice and tort reform, and the development of health information technology to name a few. Nonetheless, access and cost issues dominate most national reform proposals.

For many politicians health care reform has become equated to expanding coverage to the nearly 50 million residents or 16 percent of the US population who are uninsured.

Millions more are “under” insured owing to the increasing patient share of premium costs, rising deductibles, and growing out-of-pocket expenses. A recent report by the Commonwealth Foundation

estimated that 42 percent of US adults were uninsured or underinsured – trends likely to worsen as the economy slips into recession and the long-term erosion of employer-sponsored insurance continues.

All things being equal, the uninsured and underinsured are more likely to postpone or forego needed care and preventive services than the insured.

The second major concern of reformers is high and rising health care expenditures. Our nation currently spends over \$2.3 trillion or \$6,401 per person on health care – costs that threaten the foundation of employer-sponsored health insurance in the US, not to mention the solvency of public insurance programs for the elderly (Medicare) and poor (Medicaid and the State Children's Health Insurance Program).

US health care expenditures are nearly two-and-half times the average of all other industrialized countries. Worse, more spending has not necessarily resulted in better health outcomes or improved population health, as compared to most other industrialized societies that not only spend less but provide most of their citizens with comprehensive health insurance coverage.

Health Care Reform and the Policy Paradox

Alongside their proposals to ending the war in Iraq and jump starting the economy, competing visions of how to address health care costs and access will undoubtedly distinguish this year's presidential race.

The paradox of many reform proposals, not to mention a considerable amount of health care legislation signed into law, is the uncertainty associated with resolving one health policy problem at the expense of creating new problems or making existing problems worse.

For example, any proposal to improve health care access is likely, at least in the short term, to add to national health expenditures. For instance, the Medicare Part D or prescription drug benefit exceeded original cost estimates before President Bush's signature was dry on legislation authorizing that reform. This new drug benefit for the nation's elderly may ultimately reduce costs and improve health outcomes in the long run. In the short run it has added considerably to national health expenditures.

The paradox of health care reform is not, however, a call to inaction – it is abundantly clear that making the health care system affordable, efficient, and accessible to those in need demands the attention of national policy makers. Reform is thus both an economic and moral imperative.

Writing in the *New England Journal of Medicine*, health policy analyst Lawrence Brown recently noted that "amazing noncollapsing US health care system" has historically been resilient to reform, concluding that what should or will be done remains unclear. Regardless, health care reform is once again atop the public policy agenda.

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