

Health Care Reform and the Health of the Economy

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For nearly a century, opponents of single-payer and other universal health insurance proposals have argued that such reforms inevitably lead us down the dangerous path toward a government-run health care system.

Over the past decade, the same critics of any attempt to restructure the nation's health care system or efforts to expand existing public health insurance programs have been joined by those claiming that reform is simply too expensive, if not financially unsustainable, given the aging of the US population and existing, federal entitlement program commitments.

For instance, anyone who wrote Congressman Dean Heller last year to voice their concern about his opposition to the reauthorization of the State Children's Health Insurance Program or "SCHIP" received a stern, boilerplate warning that such "legislation would impose a massive tax increase and represents a first step toward socialized medicine in our nation." President Bush was equally adamant, contending the legislation represented a "step toward the goal of government-run health care for every American."

Concern over the price tag of health care reform and the contribution of reform to the nation's already sizable health care bill are frankly more pressing than the eternal bogeyman of "socialized medicine." Moreover, no reform proposal under serious consideration by Congress or either of the major presidential candidates would result in a purely government-run health care system.

Ironically, the closest version of "government-run health care" in our country – that is, where government, through publicly employed clinicians, actually provide, finance and otherwise regulate health care to a specific, qualified population – is the Veterans Administration, a federal agency that enjoys widespread bipartisan support and high marks for quality and patient satisfaction.

More to the point, three fourths of US hospitals are privately owned and over 90 percent of physicians work in the private sector. The most prominent role of government over the past half century has been the sizable expansion of federal health insurance coverage for the elderly, disabled, and poor provided through the Medicare and Medicaid programs, with again, most of that care provided by private hospitals and clinicians.

As for the greater concern of high and rising costs, the United States spends a greater share of its gross domestic product on health care than other developed nations, yet 45.7 million Americans or 15.3 percent of the US population lack health insurance coverage, and population health outcomes are no better than most of the same developed countries.

Both presidential candidates offer health care reform proposals that would unquestionably add to the \$2.2 trillion we currently spend on health care – McCain’s plan carries a \$10 billion annual price tag and the Obama campaign puts the annual cost of its plan between \$50 and \$65 billion.

While the Obama plan would move the nation closer and quicker to the goal of universal coverage and contains significant, long-overdue investments in prevention and public health, management of chronic diseases, and health information technology – much of the financing and purported cost savings of his plan would come later rather than sooner.

To be sure, the added financial burden of providing every American access to high quality medical care must be put in the context of the absurd spending commitments and priorities pursued by the Bush administration over the past eight years.

The war in Iraq has cost \$558 billion to date, we continue to spend approximately \$10 billion per month, and final price tag for this folly lies somewhere between \$2 and \$3 trillion.

Similarly, in a mere six months, various agencies and arms of the federal government have agreed to bailouts or loans to Bear Stearns (\$29 billion), IndyMac Bank (\$9 billion), Fannie Mae and Freddie Mac (\$100 billion each), and the American International Group (\$85 billion). And, Congress and the Bush administration are wrestling with the details of a \$700 billion plan to purchase bad mortgages and other forms of toxic debt burdening US financial companies.

As such, it’s fair to suggest that health care reform would be a costly, added burden to taxpayers – yet laughable to argue that our federal government lacks the wherewithal or resources to ensure adequate health care coverage for each citizen.

The cruel irony, of course, is that military commitments in Iraq and the escalating bailout of the US financial sector by US tax payers have undoubtedly handcuffed the next administration’s ability finance neglected domestic spending, much less any meaningful version of universal health insurance reform.

While the economy and Iraq will be the dominant issue for voters this fall, a recent Kaiser Family Foundation poll found that one in four Americans said that paying for health care and health insurance is a “serious problem” due in no small part to recent economic changes.

Urban Institute researchers Stan Dorn and John Holahan conclude that “the real question facing the public and policy makers is determining not the health policy with the strongest or weakest role for government, but the policy that yields the best results for the American people in terms of coverage, quality, choice, and cost.”

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