WRONG PRESCRIPTION

Bill Bradley's Health Plan Is No Cure

BY DR. IDA HELLANDER AND DR. STEFFIE WOOLHANDLER

THE RIGHTWARD DRIFT OF THE DEMOCRATIC PARTY is nowhere more evident than in health care. In September, Bill Bradley, the former Democratic Senator from New Jersey and current Presidential candidate, declared his support for health reforms previously espoused by the ultraconservative Heritage Foundation. Bradley's plan is at its core profoundly reactionary, a vehicle for the Heritage Foundation's explicit agenda of "rolling back the welfare state."

Bradley's plan has already been endorsed by Chip Kahn, president of the powerful lobbying group the Health Insurance Association of America. And little wonder: Insurance companies and HMOs stand to gain billions of tax dollars from the Bradley plan, while Americans would still have no right to health care.

Bradley has impressed many with his ideas on race (and his jump shot). Yet his health proposal is so shameless in its $200 billion transfer of tax dollars to the private insurance industry that it might have made Richard Nixon blush. At a time when the possibilities for progressive reform seem bright, why are Bradley's health care proposals so backward?

Meanwhile, Al Gore would not guarantee the right to health care either. Nor would he loosen the chokehold of the insurance industry over health policy. At most, he trumpets his support for the Patient Bill of Rights, advocates putting additional money into the failed Children's Health Insurance Plan, and proposes a modest tax credit so that some in the fifty-five to sixty-five age group could buy into Medicare.

While national health insurance was espoused by Warren Beatty's fictional Senator Bulworth, not a single real-life candidate has the courage to advocate the nonprofit national health insurance program America needs and Democrats supported from the New Deal era until the 1992 Clinton candidacy.

BRADLEY HAS COMPARED HIS PROPOSAL for the 11.1 million uninsured children to the Medicare program for seniors. This is nonsense. Medicare has guaranteed seniors basic health coverage for more than thirty years. Bradley's proposal is a mandate that parents buy their children private insurance. Admonishing parents to buy private coverage—even if such coverage were affordable and available (which it's not)—is a long way from guaranteeing kids coverage.

Bradley's plan relies on tax credits and a new federal bureaucracy to help poor families afford children's coverage. The subsidies would tempt employers to drop coverage of employees and their children but wouldn't be adequate to help many low- and middle-income families buy private coverage. This is exactly what happened with the federal Children's Health Insurance Plan, the most recent incremental effort to
increase coverage. In 1998 alone, the number of uninsured children rose 330,000, following rises of 188,000 in 1997 and 755,000 in 1996.

Bradley also proposes privatizing Medicaid, the current government insurance program that covers some of the poor and the disabled as well as nursing home costs for poor seniors. The $193 billion in current Medicaid spending would go to private insurers. The nonelderly Medicaid recipients would get a voucher to purchase private coverage from plans participating in the Federal Employees Health Benefits Program. Bradley would also offer tax credits to the uninsured to buy into that program.

As for the poor elderly who receive help from Medicaid with nursing home and long-term care costs, Bradley would simply end thirty years of joint state and federal responsibility for their care and turn this over to the states completely (just in time for the boomers' retirement). Bradley would do the same for the disabled, risking the loss of the safety net for this vulnerable community.

With premiums rising at 8 percent per year, poor adults with Bradley's fixed tax subsidies or skimpy vouchers would be able to afford only the cheapest plans (mainly HMOs) in the Federal Employees Health Benefits Program, not the high-end coverage that members of Congress receive. Many millions of uninsured would continue to fall through the cracks. As with children, the tax subsidies for adults are inadequate to cover all the uninsured but might encourage employers to drop coverage to low-income workers.

For seniors, Bradley would create an optional prescription drug benefit to cover medication costs over $500 annually. Seniors would have to sign up and pay an extra premium for this modest benefit. Bradley's tepid proposal barely scratches the surface of that problem.

THE HERITAGE FOUNDATION MUST BE FLATTERED by Bradley's adoption of its ideas. For years, that foundation has pushed a similar plan for privatizing Medicare in an attempt to reduce public control over Medicare while directing tax dollars to private insurers. Heritage scholars argue that consumers will choose the most efficient private plans and that competition in the market will reduce costs.

However, the evidence from seniors who have opted for HMOs is that private plans are actually more costly than traditional coverage. The U.S. General Accounting Office (GAO) found that Medicare lost $1.3 billion in 1998 by enrolling seniors in HMOs.

In the past two years alone, Medicare HMOs have dumped 750,000 seniors who proved unprofitable. HMOs have recruited seniors by routinely misleading them about benefits. This year, Medicare HMOs are dramatically scaling back the prescription drug coverage that lured many seniors into HMOs in the first place. A four-year study of quality of care by John Ware, published in the October 2, 1996, issue of the Journal of the American Medical Association, found that seniors were more likely to decline in health under HMO care than in the traditional Medicare program. Yet, instead of recognizing the failures of Medicare privatization, the Heritage Foundation and its allies in Congress push on.

While traditional Medicaid is a program of uneven quality, with large variations by state, the record of for-profit HMOs in treating Medicaid patients has clearly been worse. Florida officials banned twenty-one of the state's twenty-nine Medicaid HMOs from expanding enrollment several years ago after systematic abuse of patients was uncovered not by state auditors but by courageous investigative reporters at a local newspaper. These HMOs used fraudulent marketing tactics (for instance, telling patients they would lose their Medicaid if they didn't enroll), delivered poor-quality care, disenrolled sick patients, and spent up to 70 percent of program costs on overhead and profits.

In Oregon, the percentage of poor women with inadequate prenatal care and the percentage of low-birthweight babies rose after Medicaid recipients were pushed into HMOs. A large experiment in which families were randomly assigned to HMOs found that low-income persons fared particularly poorly in the HMO setting.

A national health care system is financially viable. According to studies by both the GAO and the Congressional Budget Office, a single-payer national health program would streamline health care paperwork and, in doing so, save enough money to cover the 44.3 million uninsured. It would allow

http://www.progressive.org/brad9912.htm
patients to choose their own physicians and hospitals, a right citizens of most industrialized countries take for granted.

Drug companies have the highest rate of profit of any industry, and the United States has the highest drug prices in the world. According to a study by Alan Sager and Deborah Socolar at Boston University, if the U.S. government used its bargaining clout to negotiate drug prices down to Canadian levels, the savings (about $16.2 billion) would be sufficient to provide the seventy million Americans lacking drug coverage with necessary medications.

A recent New York Times article noted that the economy of Sweden is doing so well that the government is giving seniors the right to have a personal home care assistant. But when the U.S. economy does well, as it has since 1992, another seven million people are thrown into the ranks of the uninsured.

No nation has ever achieved universal health care through the market. We and the 8,500 doctors at Physicians for a National Health Program believe that health care should not be a business but a human service that should be delivered through nonprofit national health insurance. The United States spends nearly twice as much on health care as any other industrialized country, including Sweden, and yet is the only one of these countries that does not guarantee universal coverage.

An editorial in the Bangor Daily News recently argued that "health care should be regarded as an essential part of an enlightened society" and that "health care ought to be viewed as a right of citizenship and not an obligation of business." Instead of tinkering with tax credits and HMOs, the candidates should be debating more fundamental questions.

Bill Bradley and Al Gore are pushing the corporate health agenda under the cover of liberal rhetoric. That's no way to get progressives' support.

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