

# Status of Health Care “Reform” 2011

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Chapter

# Introduction

- The Patient Protection & Affordable Care Act of 2010
  - Signed by President Obama 3/23/10
  - Much controversy
  - Much inflammatory language, mostly lies
  - Much compromising away from principles and toward supporting the private insurance industry

# What was originally promised for health reform?

- During 2008 campaign, the following promises were made regarding health reform:
  - Everyone should be covered
  - Reform should lower costs for nearly everyone
  - You should be able to keep what you have

# Did PPACA fulfill these 3 promises?

- **NO!!!**

- Probably 25–30 million people will remain uninsured
- Premiums are going up; cost sharing is going up; benefits are going down
- No assurance that employers won't change the plans they offer, or that employees have any choice beyond what's offered by their employer

# What DID we get?

- Mild insurance reform, not health reform
  - Limits on the worst insurer practices
    - Rescission
    - Coverage for pre-existing conditions – some now (children) and some later (adults)
  - Limits on amount of premiums insurers can keep for themselves
    - 85% Medical loss ratio for large employer plans
    - 80% MLR for small employer and individual plans

# What DID we get?

- Some oversight by state insurance commissioners on premium raises
- Extension of coverage for children on their parents' policies to age 26
- Some help with the “donut hole” in the Medicare prescription drug benefit
- Expansion of Medicaid eligibility with federal funding

# What is required of states?

- Set up high risk pool in 2010 with some federal funding
  - Not a success so far only 8,000 enrollees nationwide
- Prepare for expanding Medicaid
  - Prohibition against reducing Medicaid eligibility
- Mesh existing public programs with PPACA's requirements

# What is required of states?

- Set up the exchanges
  - Create the bureaucracy to run the exchanges
  - Create a method to vet plans offered by insurers
  - Police insurer compliance

# What are PPACA's drawbacks?

- No way to control cost of medical care
  - Overuse of expensive high tech tests, devices, drugs, and surgeries
  - High prices of diagnostic tests, procedures, drugs
  - Looking at cost-effectiveness prohibited
- No meaningful administrative simplification
  - Exchanges add another layer of bureaucracy

# What are PPACA's drawbacks?

- Large numbers of people will remain uninsured
  - The undocumented, est. 12 million people
  - The temporarily unemployed
  - People changing jobs
  - Scofflaws
  - People who got lost in the process, or who didn't understand their eligibility for subsidized insurance

# What are PPACA's drawbacks?

- Criteria in PPACA for tiered plans (bronze, silver, gold, & platinum)
  - Under insurance for all but the rich
  - Inequitable – the quality of care you can afford will depend on the size of your wallet
- No overall plan to improve the health care delivery system
  - A few demonstration projects in PPACA
  - A little effort to increase number of primary care providers

# What about our state's budget crisis?

- Huge cuts required in the small part of the state's spending that isn't required by law or the state constitution
- No more Basic Health Plan
- No more Disability Lifeline (formerly General Assistance Unemployable)

# Medicaid cuts

- Adult dental care except for emergencies
- Podiatric care except for emergencies
- School-based physical therapy, occupational therapy, speech therapy
- Adult vision – glasses or contacts
- Adult hearing aids
- Interpreter services

# What should we do?

- Repealing PPACA without a better plan will definitely be worse for all except the very rich
- Institute of Medicine criteria for a good health care system
  - Universal
  - Continuous
  - Affordable
  - Sustainable
  - Provides high quality appropriate care

# What should we do?

- Realistically, only a single payer system can meet all 5 IOM criteria
- Any other scheme either flunks affordability or sustainability or has to compromise on universal coverage or quality of covered care
- PPACA fails to meet ANY of the 5 criteria

# How do we get there?

- This won't be easy
- Too much special interest money corrupting Congress and maybe also the executive branch
- It's going to take a huge populist-like uprising to DEMAND:
  - Limitations on campaign donations and spending
  - Health care as a human right and a responsibility of government to provide it

# There is hope

- A few states are moving toward more comprehensive reform
  - Vermont is on the verge of setting up a single payer system
  - Oregon also is making plans
  - California passed a single payer bill twice (vetoed by Gov. Schwarzenegger). The new Gov. Brown would likely sign such a bill
- All such state plans would require federal waivers to be truly universal

# What about Washington?

- There is a legislative proposal to set up a Washington Health Security Trust (WHST)
  - Has been filed each legislative session since 2007
  - Generally ignored by those who regard single payer as the third rail of politics
  - Too complicated, and the campaign too expensive, to pass as an initiative
  - Might be attractive to the governor and legislators, given the state's dire financial

# Some odd points

- If the individual mandate requiring the young and healthy to buy insurance is negated
  - Then PPACA makes the private health insurance industry unsustainable
  - The only thing left will be to move to a single payer system
  - The “mandate” to pay taxes to support a program for the public good is definitely constitutional

# Some odd points

- If PPACA is repealed, or if it is insufficiently funded to succeed
  - Increasing unaffordability of health care will raise the public pressure for real reform
  - There will be very real suffering of real people, which will make ugly news
  - Can't make doctors and hospitals work for free
  - If large amounts of care aren't paid for, the caregivers will close their offices, ERs

# Try to be positive

- Join an advocacy group
  - Health Care for All – WA
  - Physicians for a National Health Program
- Work with your religious organization's social action committee to advocate for health care as a human right
- Work to get the League of Women Voters to step up their advocacy for real health reform

# Try to be positive

- Work to maintain social programs under attack by hypocritical deficit hawks
  - Social Security
  - Medicare
  - Medicaid
  - Unemployment insurance
- If other nations can maintain universal health care systems, surely the U.S. can also