Status of Health Care
“Reform”
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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 ration 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