

The Bush Health Care Legacy

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Health Care Trends

- Per Capita Spending on Health Care
 - 2003: \$5,635
 - 2005: \$6,697
 - 2006: \$7,026
 - 2016: \$12,782 (projected)
- Share of GDP and Total Spending
 - 2004: 15.3%
 - 2005: 16%, \$2.1 trillion
 - 2016: 19.2%, \$4.1 trillion (projected)

Health Outcomes: WHO report, 2000

- 37th in the world out of 191

Number of Uninsured: A Piece of the Story

Number of Uninsured (Census Bureau)

- 2001: 41.2 million (14.9%)
- 2004: 45.3 million (15.6%)
- 2005: 46.6 million (15.9%)
- 2006: 47 million (15.9%)
- 2013 projection: 56 million (Gilmer, Kronick)

Number of Children Uninsured

- 2004: 7.9 million (10.8%)
- 2005: 8.3 million (11.2%)
- 2006: 8.7 million (11.7%)

The Whole Story: A Third of Americans Have Inadequate Coverage

- 70 million people underinsured, one in four Americans, 24% of the population insurance does not adequately cover costs of prescription drugs; doctor visits; medical tests; surgery or other medical procedures; catastrophic medical conditions; or the deductible is too high (Consumers Union)
- Approximately 89.6 million Americans—more than one out of three people (34.7 percent) under 65 years of age—were uninsured at some point during 2006-2007, according to a report released today by the health consumer organization Families USA.
- Most of these uninsured individuals lacked coverage for a considerable amount of time: nearly two-thirds (63.9 percent) were uninsured for six months or more; and more than half (50.2 percent) were uninsured for nine months or more.

Employer-Sponsored Coverage Trends

Employer-sponsored covered **premium trends** (KFF)

Between 2000 and 2006, employer-sponsored health coverage premiums have **increased by 87 percent**.

Employers are increasingly shifting costs to their employees in the form of higher premiums, deductibles, and copayments.

Employee wages growing at a much slower pace than health care costs. Increasingly hard for Americans to pay for health care.

Between 2001 and 2004, employees' contributions for individual coverage went up 57% (Kaiser, 2004)

2001: 65% of employees covered by employer benefits

2007: 59% of employees covered by employer benefits

2006: 17.9% of full-time workers lack health insurance

President Bush's View of US Health Care System and Approach

- “We've got the **best health care system in the world....** We need to keep it that way by keeping the private market strong, by resisting efforts that are happening in Washington, D.C., to say the federal government should be running health care.... I don't believe it. I believe the best health care system is that health care system generated in the private markets.
- And the best way to **keep the private markets strong** is to... make sure the doctor-patient relationship is strong; is to empower consumers to make more choices, is to give them more opportunities to make choices in the private sector.
- The best way to empower citizens is to let them save and spend their health care dollars as they see fit.
- Best approach is to **limit government role on health care** and let marketplace respond, or not.

President Bush: Politics of Fear

- On drug price negotiation: "**Government interference impedes competition**, limits access to lifesaving drugs, reduces convenience for beneficiaries and ultimately increases costs to taxpayers, beneficiaries and all American citizens alike."
- On expanding SCHIP: It would be a move toward "**socialized medicine**" by expanding the program to higher-income families and would take business away from private insurers; it would "federalize" health care.
- Demonstrably hostile to policy solutions experts say can work, and that have been proven to work in other countries, including greater government role, public insurance, large risk pools, streamlined administration, forbidding insurers from excluding people from coverage or excluding needed benefits.

Bush Vetoes SCHIP Reauthorization

- 1998-2004: With inception of State Children's Health Insurance Program (SCHIP), the number and percentage of uninsured children dropped, even though employer-based coverage eroding.
- 2005: Number of uninsured children begin to climb.
- Rather than signing bi-partisan legislation to help Americans with incomes up to 300 percent of poverty and giving 4 million more kids health care coverage, Bush vetoes legislation that would have increased SCHIP funding by \$35 billion over five years

Bush Administration Keeps States from Expanding Medicaid

- Bush Administration rejects state proposals to expand Medicaid to families with incomes up to 300% of poverty.
- Ohio, Oklahoma and Louisiana cannot expand their Medicaid programs.

Bush Supports Overpayments to Medicare Private Plans

- Medicare Payment Advisory Commission and the Congressional Budget Office found that private Medicare plans are **paid 12 percent more**, on average (\$1,000), than it would cost the public Medicare program to cover the same people.
- CBO estimates overpayments will total \$54 billion over the next 5 years and **\$149 billion over 10 years**. Leveling playing field would save \$8.1 billion in 2008.
- Bush and his Republican allies in Congress threaten to veto any legislation that cuts these overpayments and levels the playing field, threatening Medicare Trust Fund, and raising premiums for people in public Medicare plan \$24 a year.
- CBO reports that the limited [quality] measures available suggest that Medicare Advantage plans are not more cost-effective than traditional Medicare.

Bush Supports Medicare Private Drug Plans and No Price Negotiation

2003 Republican Medicare drug benefit law

- Prevents the government from engaging in drug price negotiations.
- Creates new private drug insurance system rather than expanding public Medicare program.
- Experts project savings of as much as \$30 billion a year through price negotiations.

Bush threatens to veto legislation that would allow price negotiations

Bush Administration Promotes Inadequate Health Insurance

- Assumes health care costs high because claims people have too much insurance and go to doctor unnecessarily.
- Bush administration solution to high health care costs: Euphemistically called “Consumer-directed health plans,” which are high-deductible plans
- Theory is that people will be more careful in getting health care if they have to pay more for it because they will judge merits of the care.
- President Bush turns 100 year-old assumption of health policy experts that patients are ill equipped to judge the merits of tests, treatments, and providers on its head.
- **Issue is not whether you have insurance but whether you have access to needed health care.** HSA plans deter many people from getting needed care because it is unaffordable.

Bush Health Care Legacy: Every Man for Himself

- Insurance industry in control—determine who and what they cover, when, and how much they pay
- Our access to health care increasingly based on our ability to pay for it.
- People with poor health status increasingly at risk of not being able to get needed care.
- Redistribution of wealth and health care services to wealthy and healthy.

Our Task Going Forward

Guarantee affordable health care to all—the basis of insurance is the sharing of risk and benefits

Share responsibility for cost of health care among individuals, employers and government

Establish a national health insurance pool for everyone without employer-sponsored coverage

Offer a public insurance option with good benefits that negotiates reasonable provider rates and drug prices, coordinates care and promotes quality

Streamline administration by covering everyone automatically at birth