The Logic of the Health Care Debate

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Introduction

Most health care reports advocate a policy, describe it, and argue for it. We take a different approach. In this paper, we describe the logic of the overall debate over the U.S. health care system —the assumptions, the arguments, who makes them, and why. We do come out of this process with recommendations, but not of the usual sort.

This analysis presents something new and important: a distinction among three modes of thought — progressive, conservative, and neoliberal. What's new here is a deeper understanding of neoliberal thought, as it affects the discourse on health care. Briefly, it accepts the progressive ethic of care, insisting on maximizing coverage. Meanwhile, neoliberal thought accepts a conservative version of market principles that guarantees profits to insurance and drug companies. Often, this is done in the name of political pragmatism, as a way to mute expected conservative opposition. This creates an inherent tension between the moral mission of government to provide for the protection — in this case the health security — of all of its people and the profit-maximizing insurance marketplace, which works only by denying care.

The neoliberal mode of thought is at the center of the health care debate. It can also be found in issues across the board.

In the health care debate, positions based on the progressive values of empathy and responsibility for oneself and others are focused on the well-being of human beings. The

current health care system[1] is focused on insurance company profits, which insurance companies maximize through denying health care to millions of Americans. Neoliberal plans that sincerely seek market solutions or simply appease conservative opposition and protect insurance profits are unlikely to remedy our current health care tragedy. We conclude that progressives who adopt a neoliberal mode of thought, or align themselves with others who do, could inadvertently undermine progressive values and policy goals, surrendering them in advance—anticipating conservative resistance even before negotiations occur — and before the public has a chance to even consider such values.

A Bit of History

There is a historical reason why health care in the U.S. has not been considered a matter of protection, like military and police protection. When America was founded, the implicit social contract was to surrender some freedoms so that government could protect people from other people, not from ill-health, disability and disease. Because medicine was not all that advanced until the 1920s, inequities of health were primarily a matter of inequities of wealth. Wealthy people lived longer because of better nutrition, less stressful lives, better sanitation, and so on. But before there were antibiotics or dialysis machines, there was no issue as to who would get or use them. As of the 1920s, expensive advances in medical technology began to give ever greater advantages to those who could afford to take advantage of them.[2]

The creation of the health insurance industry between 1929 and the late 1940s, it was hoped, would close this gap. The idea was to spread the risk, and with it, the costs of expensive care. What did happen, however, is that a new gap developed. And not accidentally or inadvertently.

A Basic Fact

Our health insurance system only works so long as insurance companies profit. And they have. In 2006, according to *Consumer Reports*, the six largest health insurers collectively posted almost $11 billion in profits.[3] Similarly, when insurance companies won't make

money, they don't offer insurance policies. No insurance policies, no health insurance system.

American insurance companies make money by providing as little treatment to as few individuals as possible and by offering coverage to as few sick people as possible, while collecting premiums from as many healthy people as possible. That's why people with pre-existing conditions have so much trouble finding insurance—it costs too much to care for them. That's why the insurance companies require pre-approval of treatments and why they may authorize less expensive, rather than more effective, means of medical care. That's also why insurance companies benefit from high co-pay policies: they push patients toward avoiding costly visits to the doctor.[4] This is how our health system works to guarantee profits to insurance companies.

The basic fact is this: the sicker you are, the more you cost and the less the company makes by covering you. This is the opposite of the way markets normally work; namely, the more product a company delivers, the greater its profits. But in the health care industry, it is the opposite: the less care an insurance company authorizes, the greater the profit. As long as insurance companies are responsible for authorizing health care, this will be true.

With the present profit imperative of our health care system, we have created a national Sophie's Choice: millions of people must be denied care so that healthier or wealthier people can get it.[5]

Your Interests? Or Theirs?

Health insurance is not the same as health care. The amount of care you receive is related to how much you can pay. Some expensive insurance plans offer extensive care. Other, less expensive plans, do not. Currently, 70 million Americans are under-insured—they have health insurance that, as *Consumer Reports* says, "barely covers their medical needs and leaves them unprepared to pay for major medical expenses."[6] Increasing the number of Americans who have health insurance of some kind does not necessarily increase the number of Americans who have sufficient care to keep them healthy.

In a number of respects, this disparity between health insurance and health care comes from the fact that everyone gets sick, will age, and die. At some point in their life, every insured person will cost an insurance company money. Insurance companies can't make much profit on human health care, unless they exclude or limit people from coverage and benefits. Otherwise, premiums aren't profit centers, they are just pre-payments for health care we know we'll need in the future.

To increase profits, insurance policies with benefit limits are commonplace, and no benefits are paid if those limits are exceeded, regardless of needs. You get a debilitating illness, such as cancer, and you receive a maximum payment from the insurance company that is a fraction of the total medical costs. It's as if you were a car and had reached your Blue Book value; you're declared totaled. From there, you pay the full cost of continued treatment, which can be hundreds of thousands of dollars.[7] For people with health insurance, this is one of the main causes of bankruptcy: people have to use up their savings and sell their homes in order to pay uncovered medical costs.[8]

The Conservative Mode of Thought

In the conservative mode of thought, securing health insurance is a matter of individual responsibility. In this view, health care is a commodity that should be bought and sold through insurance policies in the market. If someone wants a commodity, they should work hard to afford it. In a free market economy — given that America is a land of opportunity — they will be able to do so. Anyone without health insurance for himself or his family just isn't working hard enough and doesn't deserve it. It's just like plasma TVs; if you want one, work hard to afford one. Otherwise, you won't get it, because you haven't worked hard enough, and you don't deserve it.[9]

From the principle of individual responsibility, it follows that employers should never be forced to provide health insurance for their employees. They might choose freely to do so in order to attract talent, but that should be their free choice.

Within the conservative mode of thought, the market is both natural and moral. Natural in that people instinctively seek their own profit and moral in that those who are most

disciplined will be most likely to prosper. Market outcomes are therefore always moral and most practical, since the market optimizes the fair and efficient distribution of goods and services. Government interference comprises both the efficiency and morality of market processes.

In conservative thought, health insurance should be a money-making business; it will be most fair and efficient that way. Conservative thought also supports private medical accounts on two similar grounds. First, they are moral because they make the individual responsible. Second, they are practical in that the money can be invested in the market, thereby creating more profits for more people.

What about the denial of care or coverage? In conservative thought this is inevitable and necessary. Your lack of coverage is your own fault. You have not been self-disciplined. You have failed in your individual responsibility to earn it. It's not the fault of the market or insurance companies. Insurance companies provide a service at a profit, and when they cannot provide that service at a profit, they should not do so. Moreover, those who are uncovered have an incentive to work harder and earn coverage. People do not have the moral right to have someone else pay for their health care coverage; indeed it would be immoral to do so, since that promotes dependency.

Promoting dependency—whether by patients, doctors, or plan administrators—is the root of the conservative fear of health care for all Americans. Conservatives label this as "socialized medicine" or "government health care,"[10] and they argue that health care for all Americans will undermine our self-discipline and make us weak. This is, above all, a moral issue for conservatives, which is why economic efficiency arguments alone will not carry the day with them. For example, we already know that U.S. Medicare and Canada's single-payer health care system are more efficiently managed than U.S. private, profit-maximizing insurance companies.[11] There is also compelling evidence that savings on the profit and administrative costs of the current private insurance companies could pay for health care for all Americans, if it were run as a single payer system.[12] From the conservative perspective, these plans are still viewed from top to bottom as unearned entitlements—automatic care for patients, guaranteed income for doctors, and lifetime jobs for government administrators—and so promote dependency and are immoral.

Finally, once health care is understood as a commodity, then the logic of the market sets the value of human life and limb. Therefore, there should be a limit — a cap — on the value that can be claimed in a lawsuit when medical error causes disability or death.

This conservative logic fits perfectly the practice of health insurance companies and makes sense of the following quotes from conservative leaders.

Here, for example, is John Erlichman talking to Richard Nixon on February 17, 1971.

> **Ehrlichman:** Edgar Kaiser is running his Permanente deal for profit. And the reason that he can—the reason he can do it—I had Edgar Kaiser come in—talk to me about this and I went into it in some depth. All the incentives are toward less medical care, because—
>
> **President Nixon:** [Unclear.]
>
> **Ehrlichman:** —the less care they give them, the more money they make.
>
> **President Nixon:** Fine. [Unclear.]
>
> **Ehrlichman:** [Unclear] and the incentives run the right way.
>
> **President Nixon:** Not bad.[13]

Here the perspective taken is that of the entrepreneur who has found a new way to make money by brokering care, and not the perspective of the patient needing care. The entrepreneur is commodifying health care—or better yet, commodifying minimized health care. He's not planning to authorize the delivery of more and better service, but authorize less. It follows from the principle of the free market that the costs of doing business should be minimized whenever possible. Consumers who don't like the service offered at the price charged can go elsewhere — if there is an elsewhere.

In another example, Rudolph Giuliani likened buying health care to buying plasma TVs.

> The free market operated, lots of consumers got into the market, they bought TVs, and manufacturers realized that if they reduced the price, they'd get more customers. How do you get health care providers to start thinking that way? The only way you do it is to have 70 million customers bring the price down and the quality up.[14]

He concluded that what is good about the American health care system is that it is "private, competitive, and for-profit."[15]

According to the conservative *National Review*, Americans should reject universal health coverage because it would "either bust the budget or cripple medical innovation, and possibly have both effects."[16]

Mitt Romney, running for president, said about health care, "No more free rides… Everybody pays what they can afford."[17] Romney means that everyone must buy policies from the health insurance companies and that purchasers get the health care they can pay for. Taxes on average taxpayers — mostly the middle class — will make up for the payments required by those who cannot afford even the minimal policies. Under Romney's plan, the insurance companies are guaranteed profits from people at all income levels. Romney appears to be suggesting "universal care," but since the coverage for many people is minimal, it won't really meet everyone's medical needs.

The Progressive Mode of Thought

The progressive mode of thought begins with progressive morality — the morality of empathy and responsibility, for oneself and others. Others, because life is interdependent; "no man is an island." Translated into policy, that moral view defines two roles for government: protection and empowerment. Protection includes not only military, police, and fire protection, but also disaster assistance, public health, food safety, social security, and so on. The empowerment function of government makes business possible. It also makes it possible for individuals to pursue fulfilling lives. Government empowerment includes the development and maintenance of public roads and bridges, the internet and satellite communications, public education, the banking system, the stock market, and the courts. No business can thrive without government contributions in these areas.[18]

Progressive views on health care flow from this understanding of the moral mission of government. Empathy requires taking the viewpoint of the person cared for, the health care recipient as well as their family and community. From a policy perspective, health

care is a matter primarily of protection, but also of empowerment. Putting these together, we get progressive requirements for a health care system:

- Everyone should have access to comprehensive, quality health care (follows from empathy).
- No one should be denied care for the sake of private profit (follows from empathy and protection).
- You can choose your own doctor (follows from empathy).
- Promotion of health and well-being, focusing on preventive care (follows from individual responsibility).
- Costs should be progressive, that is, readily affordable to everyone, with higher costs borne by those better able to pay (follows from empathy).
- Access should be extremely easy, with no specific roadblocks (follows from responsibility).
- Administration should be simple and cheap (follows from empathy and responsibility).
- Interactions should be minimally bureaucratic and maximally human (follows from empathy and responsibility).
- Payments should be adequate for doctors, nurses, and other health care workers. Conditions of their employment should be reasonable (follows from empathy).
- When people are harmed by either the unsafe practices or negligence of health care providers, the redress should be left to the courts — with no arbitrary caps on compensatory payments (follows from protection).[19]

The Neoliberal Mode of Thought

The health care system of the next decades may be determined by a mode of thought that is neither purely progressive nor conservative, but neoliberal. What we term "neoliberal" thought shares progressive values and the ethic of care. At the same time,

it has an Enlightenment-based faith in universal rationality as logical, unemotional, and serving human interests. To argue on the basis of care would be emotional and hence irrational and weak. To argue on the basis of interests is seen as rational and strong. The neoliberal strategy is to serve the ethics of care by serving the economic and other material interests of demographic groups.

In neoliberal thought there is the belief that markets can be effectively regulated to serve those interests, which leads to recommendations for technocratic changes to existing markets as one means to achieve progressive ends. Under the domestic version of neoliberal economics, many progressive moral goals can be achieved through private enterprise as an efficient means to moral ends. Though conservatism sees the market itself as *defining* moral ends, neoliberalism shares with conservatism the idea that the market can be efficient and *serve* moral ends. This is why neoliberal thought has no problem with health care solutions that involve profit-maximizing private insurance companies.

The neoliberal emphasis on "systems" often causes a loss of focus upon the progressive morality that lies beneath their political and policy solutions. Specific references to progressive values disappear from their messages. So do references to the government functions of protection and empowerment. Neoliberals may begin with the morality of empathy and responsibility for oneself and others, but their faith and focus soon shifts to the abstract, to complicated systems and intricate public/private solutions. Empathy, the moral force that holds together our democracy and the engine of community, is reduced to sentimentality and shunted aside.

Neoliberal thinking can lead to a dangerous trap. We call it the Surrender-in-Advance Trap. With an exaggerated emphasis on system-based solutions, neoliberal thought may lead one to surrender in advance the moral view that drives an initiative in the first place. Those who pragmatically focus on appeasing what they assume will be unavoidable political opposition to their proposals also run the risk of moral surrender. For instance, assuming strong, possibly insurmountable, conservative resistance to government-based health care solutions, they will embrace profit-maximizing insurance solutions because they believe that 1) political opposition can

be muted; and 2) the "free" market, properly regulated, can serve moral purposes, such as providing health care for all Americans. Proponents of these neoliberal solutions often overlook the fact that the very source of the health care crisis is the structure of insurance: the less care they authorize the more profit they make, and profits come first and are maximized.

But people using a neoliberal mode of thought do not view a market-driven, profit-maximizing approach as a surrender of any kind. They deeply believe that progressive moral principles can be served through neoliberal methods and forms of argument. We want to stress, however, that the consequence is dire whatever the motivation. The failure to articulate a clear progressive morality in favor of more technocratic solutions to profit-maximizing markets puts the progressive cause at a disadvantage on health care and other policy issues as well. It doesn't matter whether one is simply trying to avoid conservative and insurance company opposition or whether one truly believes in one's heart that the market will cure us. The progressive moral basis for providing health care for all—empathy and responsibility, protection and empowerment—is not stated. As a result, Americans don't get to hear the progressive moral basis for extending health care to all Americans, and they don't get to decide whether they agree with that moral premise. Americans only hear the conservative moral view. That moves them in a conservative direction, not only on this issue, but on all issues.

There is an additional danger. As a strategy, surrender-in-advance puts advocates in the weak position of starting negotiations by going half way or more toward what the other sides want. No one would think of taking that approach when bargaining in the marketplace.

Analysis Of The Arguments

The conservative argument is straightforward, and it is based on the same ideas conservatives have been pounding into the public mind for three to four decades. Government is unreliable, inefficient, and raises your taxes. It can't solve the problem

and it costs too much when it tries. It is also immoral because government handouts make people dependent and take away their incentive to work.

Private enterprise is both effective and moral, and strengthening markets generates wealth for the country as a whole. Therefore, there should be private health accounts with private insurance plans and no constraints on the authorization or provision of health care or prescription drugs. Further, there should be caps on lawsuits that might threaten the income of profit-maximizing health care authorizers.

The progressive argument is straightforward and based on progressive views of morality and government: the values of empathy and responsibility, and the view that health care is a matter of fundamental protection — like the army or the police. Therefore, everyone deserves health care, and it is the moral responsibility of our government to ensure that it is available to all of us, its citizens. Profit should never interfere with the delivery of health care. And since health insurance profits are based on the denial of care, health care should not be a matter of profit-maximizing insurance. This progressive worldview tilts progressives toward single-payer or medicare-for-all plans. The problem for progressives is they have not been getting their moral perspective or their view of health care as government protection out in public effectively — even though polls suggest that a majority of the public seems to already agree with their position.[20]

The sticky part of the health care debate occurs when neoliberals accept certain modified versions of profit-maximizing insurance programs with technocratic fixes of the sort described above, and then fail to announce (and repeat) the progressive moral basis of their goals, even though they implicitly agree with them. In so doing, they avoid addressing the fundamental tension between the progressive view that government has a moral mission to provide for the security, including the health security, of all its people and our current profit-maximizing health care system which works only by denying care to over 100 million Americans. Instead, neoliberals focus on rational arguments: how their plans maximize material interests of the lower and middle classes. In the end, neoliberals and conservatives are roughly in the same

framing ballpark — maximizing material interests of some group—with progressives left in the bleachers.

As a result, the American people will not be given any real choice between the progressive and conservative moral positions. We will never know if those polls were right, if Americans indeed prefer a progressive alternative. The surrender in advance by the neoliberals means that any "compromise" will start with a capitulation to fundamental conservative values, and will be tilted even more strongly in a conservative direction as negotiations proceed.

What We Can Do

The most important lesson for progressives is to keep their fundamental moral view front and center in their politics, in their policy deliberations, and in their hearts. Progressive morality is the morality of empathy and responsibility for oneself and others. These moral premises assign to government two roles: protection and empowerment. In the case at hand, we find that our moral foundations require us to recognize our responsibility to our own health and the health of others. Empathy allows us to recognize this responsibility to work together to protect our health and to act upon it. Democratic government is nothing more than an institution of our own making. It is under our control, an institution we charge with the mission of protection and empowerment. Health care security, from the progressive moral stance, becomes a key function of government.

The best way to proceed is to keep what we care the most about at the center of the discussion of health care security. What we care the most about is the actual health and well-being of flesh-and-blood people. Keeping this care in our hearts does not mean that temporary compromises will not be necessary. It means only that we don't begin with compromise.

Every part of our health care system should serve this purpose—health care security for all Americans—first. It comes before private corporate profits. It comes before the political fates of particular candidates or officeholders. Every plan we might concoct or discuss should be measured against this simple standard: does this improve the health

care security of all our fellow citizens in concrete ways? Perhaps the most important word in that sentence is "all." System tinkering—eliminating pre-existing condition exclusions, adding mandatory coverage for this or that ailment, subsidizing (substandard) health care for the poor—will make a difference for many, but not for all. It will leave many more people with the kind of dissatisfaction that those with present health insurance have rightly been complaining about. Tinkering like that is more concerned with saving a system that has already failed than it is with the health of a society, indeed, with saving lives.

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For more information on health care and other issues,
visit the Rockridge Institute websites at
www.rockridgeinstitute.org and
www.rockridgenation.org.

Endnotes

[1] According to Thomas L. Greaney, Professor of Law and Co-Director of the Center for Health Law Studies at Saint Louis University, calling ours a health care "system" is overstated. "It is hard to imagine anyone creating a health care apparatus--the word 'system' is totally inaccurate--such as the United States has today. Fragmentation, inequity, and inefficiency abound." *Knowledge*, Winter 2007, p. 13. Retrieved September 27, 2007, from http://www.slu.edu/Documents/university/KnowledgeWinter07.pdf.

[2] See, e.g., Rich, Robert F., "Health Policy, Health Insurance, and the Social Contract." *Comparative Labor Law and Policy Journal*, Vol. 21, pp. 397-421, Winter 2000. Retrieved September 7, 2007, from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=296221.

[3] *Consumer Reports Health Insurance Survey Reveals 1 in 4 People Insured But Not Adequately Covered*, ConsumerReports.org, September 2007. Retrieved September 12, 2007, from http://www.consumerreports.org/cro/cu-press-room/pressroom/archive/2007/09/0709_eng0709ins.htm.

[4] *Consumer Reports* states, "many of the 'underinsured' don't have the resources to keep up with the rising costs of deductibles and co-pays, so much so that 43% reported that they postponed going to the doctor because they couldn't afford it." *Consumer Reports Health Insurance Survey Reveals 1 in 4 People Insured But Not Adequately Covered,* ConsumerReports.org, September 2007. Retrieved September 12, 2007, from http://www.consumerreports.org/cro/cu-press-room/pressroom/archive/2007/09/0709_eng0709ins.htm.

Similarly, results of a new study presented during the American Headache Society's 49th Annual Meeting indicate

> that 42% of migraine patients surveyed had insurance plans that do not provide adequate triptan doses per month, while 37% of these patients have forgone filling a triptan prescription because of cost.
>
> The study also indicates that 63% of the patients will save triptan use for bad migraines due to cost and insurance issues. Migraine sufferers concerned with these 2 issues had significantly poorer triptan use patterns and reduced quality-of-life scores.

Insurance Limitations and Cost of Triptans Negatively Influence Use Patterns, Quality of Life, Retrieved September 13, 2007, from Medscape Medical News at http://www.medscape.com/viewarticle/558461 (free membership login required).

[5] Currently, 40% of Americans, approximately 117 million people, are underinsured or do not have any health insurance. Twenty-four percent, approximately 70 million Americans, are underinsured. *Consumer Reports Health Insurance Survey Reveals 1 in 4 People Insured But Not Adequately Covered*, ConsumerReports.org, September 2007. Retrieved September 12, 2007, from http://www.consumerreports.org/cro/cu-press-room/pressroom/archive/2007/09/0709_eng0709ins.htm.

According to the latest Census Bureau figures from 2006, 47 million Americans, nearly 16%, do not have health insurance. This is an increase of 2.2 million uninsured Americans since 2005. U.S. Census Bureau News, August 28, 2007, http://www.census.gov/Press-Release/www/releases/archives/income_wealth/010583.html Retrieved August 31, 2007.

[6] *Consumer Reports Health Insurance Survey Reveals 1 in 4 People Insured But Not Adequately Covered*, ConsumerReports.org, September 2007. Retrieved September 12, 2007, from http://www.consumerreports.org/cro/cu-press-room/pressroom/archive/2007/09/0709_eng0709ins.htm.

[7] Indemnity health insurance plans, also referred to as "mini-meds," limited, or scheduled plans, offer limited health insurance coverage. They pay a fixed amount for each day of a hospital stay or for a doctor's office visit, up to a maximum annual amount. Typically, the amount you receive is less than the cost of the daily rate for the hospital stay or doctor's office visit fee. Total payments generally do not exceed $20,000,

and many are less. See Types of Limited Plans, retrieved September 12, 2007, from Health Insurance Innovations at http://www.affinitybenefits.com/ace/producer/types.htm; See also Questions and Answers about Health Insurance, U.S. Department of Health and Human Services: Indemnity retrieved October 9, 2007, from http://www.ahrq.gov/consumer/insuranceqa/insuranceqa5.htm#Indemnity and Consumer Directed Coverage retrieved October 9, 2007, from http://www.ahrq.gov/consumer/insuranceqa/insuranceqa6.htm; and Checkup on Health Insurance Choices, U.S. Department of Health and Human Services, retrieved September 12, 2007, from http://findarticles.com/p/articles/mi_m0PHH/is_1992_Dec/ai_14401180.

"Although these plans are very affordable it is not a substitute for a full coverage major medical plan because it is so limited." From the USNow website, a health insurance company that features "managed limited benefit plans" to employers; retrieved September 13, 2007, from Health Coverage Options May Provide Relief to Owner Operators & Fleets - Express Trucking News, Fall 2005 at http://www.usnow.com/about/news.php?id=2.

The result of having a limited benefit health insurance plan can be personal debt due to major medical expenses. This was the experience of a couple in which the wife was treated for colon cancer.

> Unlike more traditional insurance, HealthMarkets' policies usually have no upper limit on how much policyholders could pay each year toward such things as hospital bills or chemotherapy. "In a typical insurance policy, what you have to pay is generally capped," says Antony Stuart, a Los Angeles attorney who has represented about a dozen policyholders suing HealthMarkets. "These (policies) are upside down, where what the company has to pay is capped and what you have to pay is not."
> One of Stuart's clients is Christopher Closson, whose lawsuit alleges he bought a health insurance policy in 2003 from Mega Life that Closson thought covered a broad range of medical costs. It was only after his wife, Kathy, was diagnosed with colon cancer that they learned the policy's payment caps of $800 a night for hospital care and $1,250 a day for chemotherapy were far below what such care costs, Closson's lawsuit says. By the time Kathy died at age 40 in 2005, the couple owed more than $200,000 to hospitals and doctors, according to the lawsuit filed in California state court.

Appleby, J. (2007, September 4). Limited health policies vex some buyers, *USA Today*, retrieved September 12, 2007, from http://www.usatoday.com/money/industries/insurance/2007-09-04-limited-coverage_N.htm.

[8] A study led by a Harvard Medical School professor, Dr. David Himmelstein, found that health care costs are the main cause of personal bankruptcies.

> In 2001, 1.458 million American families filed for bankruptcy. To investigate medical contributors to bankruptcy, we surveyed 1,771 personal bankruptcy filers in five federal courts and subsequently completed in-depth interviews with 931 of them. About half cited medical causes, which indicates that 1.9–2.2 million Americans (filers plus dependents) experienced medical bankruptcy. Among those whose illnesses led to bankruptcy, out-of-pocket costs averaged $11,854 since the start of illness; 75.7 percent had insurance at the onset of illness. Medical debtors were 42 percent more likely than other debtors to experience lapses in coverage. Even middle-class insured families often fall prey to financial catastrophe when sick.

Himmelstein, D., Warren, E., Thorne, E., & Woolhandler, S. (2005, February 2). MarketWatch: Illness And Injury As Contributors To Bankruptcy. *Health Affairs*, retrieved September 26, 2007, from http://content.healthaffairs.org/cgi/content/full/hlthaff.w5.63/DC1.

[9] For a more in-depth discussion of the conservative worldview, see the Rockridge Institute's book *Thinking Points*, Chapters 4 – 6 (http://www.rockridgeinstitute.org/thinkingpoints#pdfs) and Lakoff's *Moral Politics* 2nd Edition (2002).

[10] Rudolph Giuliani has decried government guaranteed or managed health care as "socialized medicine," warning that it would be a mistake to circumvent the commercial health insurance industry. Clark, M. (2007, July 20). *Giuliani cites energy independence as weapon to fight terrorism*. Retrieved August 28, 2007, from IowaPolitics.com at http://www.iowapolitics.com/index.iml?Article=100517.

Republican presidential candidate Mitt Romney declared that he would not support a government managed health care system because he sees it only as, "A one-size-fits-all national health care system [which] is bound to fail." In an example of tremendous irony, he added,"It ignores the sharp difference between states and it relies on Washington bureaucracy to manage. I don't want the people who ran the Katrina cleanup to manage our health care system." Madkour, R. (2007, August 24). Romney Proposes Health Care Overhaul. *Washington Post,* retrieved September 12, 2007, from http://www.washingtonpost.com/wp-dyn/content/article/2007/08/24/AR2007082401491.html?tid=informbox.

This is also the position that conservative politicians have taken against any type of government involvement in health care, including the limited expansion of SCHIP. Referring to a recent House of Representatives vote in support of SCHIP, Rep. Marsha Blackburn (R-Tenn.) was quoted as saying, ". . . the U.S. House of Representatives may have taken a big step toward socialized medicine!" Gizzi, J. (2007, August 2). *House Headed Toward 'Socialized Medicine'* published on the Human Events website. Retrieved September 26, 2007, at http://www.humanevents.com/article.php?id=21785. Human Events describes itself as "leading the conservative movement since 1944."

Similarly, when Bush vetoed the SCHIP bill, he said that he opposed its expansion because "government coverage would displace private health insurance for many children" and so "what you're seeing when you expand eligibility for federal programs is the desire by some in Washington, D.C. to federalize health care." Lipman, L. (2007, October 3). Bush vetoes expansion of child healthcare. *Atlanta Journal Constitution*. Retrieved October 4, 2007, from http://www.ajc.com/news/content/news/stories/2007/10/03/SCHIP04_COX.html

[11] Regarding the comparison between the U.S. and Canada, see, Lasser, K.E., Himmelstein, D., & Woolhandler, S. (2006, July). Access to Care, Health Status, and Health Disparities in the United States and Canada: Results of a Cross-National Population-Based Survey, *American Journal of Public Health*, *96* (7), 1 – 7; Woolhandler, S., & Himmelstein, D. (2003). Costs of Health Care Administration in the U.S. and Canada. New England Journal of Medicine, 349 (8), 768-775. These studies available at Physicians for a National Health Program (http://www.pnhp.org/single_payer_resources/pnhp_research_the_case_for_a_national_health_program.php).
Regarding the comparison between Medicare and private health insurance companies, see these conclusions by Professor Merton Bernstein:

> "Most people overlook the most affordable way to achieve universal coverage; putting all of us under the Medicare umbrella," says Merton C. Bernstein, a founding member of the National Academy of Social Insurance and the Coles Professor of Law Emeritus at Washington University in St. Louis. "That single-payer system would reduce non-benefit spending by doctors, hospitals, clinics, laboratories and health care insurers by about $300 billion a year, providing funds to insure everyone without additional outlays."
> Currently, Medicare incurs only 2% for administrative costs and does not need to advertise or pay commissions. According to Bernstein, private insurance spends considerably more on advertising and management. Administrative costs run as high as 30% because providers and insurers have to employ large staffs to cope with thousands of different plans for billions of billings a year. Similarly, federal and state public needs-tested programs must determine whether applicants meet

> the different programs' eligibility criteria, and these administrative costs run about 7% above Medicare's.

Martin, J. (2005, April 6). *Medicare-for-All is the prescription for taming health care costs, says insurance expert*, News & Information, Washington University in St. Louis. Retrieved September 14, 2007, from http://news-info.wustl.edu/news/page/normal/4981.html.

[12] For example, according to Health Care for All–California, a single payer universal health care system in California would save billions of dollars in total health spending over the current California mixed system of public and private health providers.

> Significant savings in total health spending in California would be achieved through a single insurance plan. In the first year of the plan, almost $8 billion would be saved. . . . The savings in administrative costs (about $20 billion in the first year) would help pay for both the uninsured and underinsured. The approximately 25% of healthcare costs that is spent on administration would be reduced to about 4% (similar to Medicare's administrative costs.) All components of administration would save significantly.

(http://www.healthcareforall.org/studies.html Retrieved August 31, 2007)

[13] Retrieved September 12, 2007, from The Kaiser Papers, http://businesspractices.kaiserpapers.info/nixononkaiser.html.

[14] Clark, M. (2007, July 20). *Giuliani cites energy independence as weapon to fight terrorism.* Retrieved August 28, 2007, from IowaPolitics.com at http://www.iowapolitics.com/index.iml?Article=100517.

[15] Clark, M. (2007, July 20). *Giuliani cites energy independence as weapon to fight terrorism.* Retrieved August 28, 2007, from IowaPolitics.com at http://www.iowapolitics.com/index.iml?Article=100517.

[16] Editorial: *Against Universal Coverage*, June 21, 2007. Retrieved September 12, 2007, from National Review Online http://article.nationalreview.com/?q=ZWFkZDBlNjk3YjFhMDE1MWVlODc5NGM4MmQ4MmRhMTM=.

[17] Madkour, R. (2007, August 24). Romney Proposes Health Care Overhaul. *Washington Post,* retrieved September 12, 2007, from http://www.washingtonpost.com/wp-dyn/content/article/2007/08/24/AR2007082401491.html?tid=informbox.

[18] For a more in-depth discussion of the progressive worldview, see the Rockridge Institute's book *Thinking Points*, Chapters 4 – 6 (http://www.rockridgeinstitute.org/thinkingpoints#pdfs) and Lakoff's *Moral Politics* 2nd Edition (2002).

[19] According to a regulatory filing by GE Medical Protective, the nation's largest medical malpractice insurer, with the Texas Department of Insurance, caps on medical malpractice damage awards do not hold down doctors' liability insurance premiums.

> [GE] Medical Protective and other supporters of medical malpractice caps have repeatedly argued that damage awards are the primary reason for skyrocketing medical malpractice premiums. For example, in a March 2004 report. GE Medical Protective stated that capping non-economic damages is a "critical element [of reform] because in recent years we have seen non-economic damages spiraling out of control."

> The Texas rate increase and the actuarial data submitted by the company contradicting the oft-stated importance of caps should lead policymakers to look to insurance regulation, rather than malpractice caps, as a solution to high premiums, according to FTCR [Foundation for Taxpayers and Consumer Rights].
> "While medical malpractice caps limit the rights of injured patients, they do not lower doctors' premiums. If lawmakers and physicians want to reduce costs, they should start fighting to reform insurance companies rather than restrict patients' rights," said [Douglas] Heller [FTCR's executive director].

GE: Malpractice Caps Don't Work, October 27, 2004. Retrieved September 13, 2007, from ConsumerAffairs.com at http://www.consumeraffairs.com/news04/malpractice_ge.html.

[20] According to a CNN/Opinion Research Corporation poll in May/June 2007, 64% answered "yes" to the question, "Do you think the government should provide a national health insurance program for all Americans, even if this would require higher taxes?" Similar results were found in other polls, including an NBC News/Wall Street Journal Poll of January 2007 (http://www.pollingreport.com/health3.htm Retrieved August 29, 2007). According to The Pew Center for People and the Press (2005), 65% of people nationwide are in favor of the statement, "The U.S. government guaranteeing health insurance for all citizens, even if it means raising taxes…" (http://typology.people-press.org/data/index.php?QuestionID=26 Retrieved August 29, 2007). According to a January 2007 survey of Californians by the Public Policy Institute of California, over 70% favored government led universal health coverage, with a drop to 56% when the question implied coverage for children of illegal immigrants (Californians and their Government, http://www.ppic.org/main/publication.asp?i=734 Retrieved August 29, 2007).