

US public health coverage for poor and elderly

Washington cuts and states increase health insurance

BY JOHN MILGRIM

As First Lady of the United States, Hillary Rodham Clinton spent a good part of her husband's first term championing an overhaul of the country's health care system. It was touted as guaranteed health insurance for all Americans, but it was also criticized by citizens on the right as an unwanted move toward "socialized medicine."

That was 1993; Democrats controlled Congress and a good 14 per cent of the nation's \$6.6 trillion gross domestic product was being spent on health care.

The plan went down to an infamous failure, conservative Republicans gained control of Congress the following year and Mrs. Clinton shouldered much blame for the defeat of the Democrats.

"Been there. Didn't do that," she wrote recently on her earlier foray into health care reform.

Now, Clinton is a U.S. Senator from liberal-leaning New York State and a frontrunning candidate for the 2008 presidential election. She's also pushing a new health care reform plan, albeit far less ambitious. In fact, most politicians in Washington D.C. have proposed or signed on to a variety of initiatives to make over health care while complaining the system now is in crisis.

Health care costs continue to rise at a rate well above inflation, and U.S. Census figures showed 46 million Americans (almost 16 per cent of the population) had no medical insurance coverage whatsoever in 2004. And in the United States, while access to health care is not a legal right, some argue that guaranteed government-subsidized health insurance should be.

Universal coverage debate began decades ago

"This is a great debate that has been going on in America now for some years," said U.S. Rep. Maurice Hinchey, D-NY. "It's a debate that stretches back all the way to the (President Theodore "Teddy") Roosevelt Administration and the (President Harry) Truman Administration. Even the (President Richard) Nixon Administration tried to advance some form of national health insurance."

In 2004, health care spending of \$1.8 trillion made up about 15 per cent of the \$11.7 trillion U.S. gross domestic product. Estimates are that health care spending will rise to 17 per cent of GDP by 2011.

The health care reform plans recently pushed through Congress mainly include changes to Medicare and Medicaid, the nation's subsidized health care systems for

John Milgrim is a reporter for *Ottawa News Service* and is based in Albany, New York. He writes regularly about New York state politics.



U.S. Senator Hillary Rodham Clinton of New York.

the elderly and those with low income. In February, 2006, President George W. Bush signed legislation to roll back spending on the entitlement programs. The legislation, the Deficit Reduction Act of 2005, was passed but is being challenged in court. Bush's law is slated to reduce the growth of Medicare and Medicaid spending by \$40 billion over 5 years, but its effect will be to shave fractions of a percentage point off of growth in entitlement spending. Critics called it an immoral decision while proponents hailed the move as a rational means to cut fraud and waste.

But the most significant change in recent years was signed into law in late 2005 and went into effect January 1, 2006. That's when Medicare began prescription drug coverage under the new and controversial Medicare Part D.

Simply put, Medicare is the federal government's health insurance program for older and some disabled Americans. Almost all Americans over the age of 65 are covered by Medicare. Medicaid, on the other hand, is federally subsidized coverage for low income Americans who meet other criteria for eligibility. Its guidelines are set at the federal level but states administer the programs, pick up between 24 to 50 per cent of the costs, determine eligibility levels and tailor programs to their political will. States often cover more "optional services" such as prescription drugs — which are often anything but optional in health terms. It is often the relative wealth of a state rather than political leanings which determine how many "optional services" they cover. The one service that does depend on a state's political leanings is abortion: Medicaid pays for abortions in most states in cases of rape, incest or when the mother's life is at stake. It will cover abortions in most other situations in 16 states, predominantly more liberal-leaning Democratic or "blue" states like New York, California and Massachusetts.

Florida Republicans increase health coverage

In Florida, a more Republican or "red" state popular among retirees and thus home to a preponderance of elderly, the politicians tailored government-run medical services to their constituents. It is one of 27 states where chiropractic care and private duty nursing is covered by Medicaid. It is one of 35 states where dentures are covered. However, Governor Jeb Bush (George W. Bush's brother) and the Republican legislature are pioneering efforts to introduce individual accounts into Medicaid, limiting the amount of health expenditure on an individual.

State Sen. Durell Peaden, Jr., a Republican and chair of the state Senate Health Care Committee, said lawmakers concentrate on care for the elderly. They've provided incentives for geriatric care training at medical schools and are expanding independent living programs.

"Whatever we do we're usually two years ahead of everybody else," said Peaden.

The more conservative Louisiana offers far fewer optional services. It is one of six states with no dental care, eyeglasses are not covered and it is one of four states without mental health rehabilitative care, according to the U.S. Centers for Medicare and Medicaid Services.

"It's having enough money to get the (federal) grants that are being offered, that is the problem," said Louisiana State Rep. Sydnie Mae Durand, chair of the Health and Welfare Committee of the state legislature's lower house. "You have to have match money to get it and we have to utilize our money in the best way we can." Matching funds or the necessity to "match money" is both a blessing and a curse for local governments — it means they can get partial funding, but they have to raise the rest.

Most of the 44 million Americans without health insurance come from working families. – Senator Hillary Clinton

Just as entitlement programs such as Medicaid can vary by a state's political leanings, party control of the federal government can sway national policy.

Politicians like Hinchey, who is further left than most in Washington, say reasons are now more abundant than

ever to look again toward a national insurance system, but it is Republican control in Washington that keeps it from happening.

"Most people realize the time has come," he said, explaining corporate health insurance costs add anywhere from \$1,500 to \$2,000 to the cost of an automobile manufactured in the U.S. "The lack of national health insurance has made it much more difficult, especially for American manufacturing in the global economy."

The previous political and industry opposition to a national health insurance system dominated the debate by characterizing the proposal as "socialized" medicine. It was a term that once intimidated a link to communism and helped assure the proposal's demise, Hinchey said, especially among a generation familiar with the Cold War.

Meanwhile, Medicare's recent addition of prescription drug coverage has caused political fallout. The idea seemed simple enough: federally-subsidized private drug plans. The legislation, however, took 800 pages to print. Medicare recipients could choose a plan based on their drug needs, premiums and accompanying co-payments. But it has proven hard to do so because information from insurers was slow to be incorporated in the government data bases, and because so many plans offered different products. And those covered by both Medicare and Medicaid were automatically moved from Medicaid drug coverage to a particular Medicare drug coverage plan on January 1, 2006 — with much difficulty and political backlash.


States created safety nets

For some, the move increased drug costs or the new plans they were automatically enrolled in did not cover the drugs they had been using. Most state legislatures created emergency safety nets subsidizing drug coverage for those caught in the logistical web.

The surprise cost to New York State alone topped \$100 million in just the first two months of the program.

Sen. Clinton ultimately backed down from her public advocacy for a "universal health care coverage plan" during her husband's administration. She never gave up on it. Two years ago she filled the pages of *The New York Times Magazine*, reiterating and modernizing her earlier campaign. This time, however, she was calling mainly for incremental change and improvements to health information technology, not for anything remotely close to the large changes in financing and delivery called for in the 1993 Clinton plan.

She notes that most of the 44 million Americans without health insurance come from working families and that 18,000 people aged 25 to 64 die each year from a lack of coverage. At the same time, the United States remains far in front of all other nations in per capita health care spending while it ranks 48th in life expectancy, she said.

"All that we have learned in the last decade confirms that our goal should continue to be what every other industrialized nation has achieved — health care that's always there for every citizen," she wrote. 



U.S. President George W. Bush.

Health care spending in 13 federal countries*

The chart below shows that the USA spends more of its Gross Domestic Product on health than any other country in the list, but 16 per cent of US citizens have no health insurance coverage at all.

Country	Per cent of GDP spent on health care in 2002
Australia	9.5
Austria	7.7
Brazil	7.9
Canada	9.6
Ethiopia	5.7
Germany	10.9
India	6.1
Mexico	6.1
Nigeria	4.7
South Africa	8.7
Spain	7.6
Switzerland	11.2
USA	14.6

* These figures from the World Health Organization include both public and private expenditures on health care.