

# We Need to End Insurance Market-based Health Care

What Did We Get? Where Are We? And, Where Do We Go From Here?

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A year ago health care was in crisis. Its cost burdened individuals, businesses, and all levels of government. Americans were dying at a rate of 45,000 per year due to lack of access to health care, health care bankruptcies were rising. Change was urgently needed. The crisis was an opportunity to create the best health care system in the world.

Because we have extensive experience with three health systems, we could have had a very informed debate. The U.S. has a market-based system (private insurance-controlled health care); a single payer system (Medicare) and a socialist system (the Veterans Administration). We could have asked which worked best, which covered the most people, which was least expensive, and which produced the best health outcomes. This fact-based discussion could have resulted in putting in place an efficient, effective national health system moving the U.S. into the top tier of health programs from its current dismal ranking of 37th in the world.

But, that debate never happened. Right from the outset President Obama and the Democratic leadership decided to consider only a private insurance, market-based solution. A real debate would have found that the market approach was the least effective and most costly part of American health care. In the end we got the pre-ordained decision; market-based health insurance was further enshrined with all its administrative and bureaucratic costs, its unfairness and inability to provide health care to all.

Over the last year, Democratic and Republican partisans in and out of government have made the debate on health a misleading one. False distractions like 'death panels' and 'government take-over' kept the right wing and Republicans fomenting and angry when neither was occurring. On the left, the public option, always miniscule and never really on the table, was the primary focus of non-profits aligned with the Democratic Party. This non-issue distracted progressives from the real issues and divided Americans who wanted real reform.

Reality is still hard to see through the fog of partisan rhetoric. The Republicans continue to claim socialism and a government takeover of health care, when the law is neither. And, the Democrats have been high-fiving each other and claiming they've achieved the equivalent of Social Security, the Civil Rights Acts, and Medicare - none of that is true either.

When the rhetorical fog lifts, we will see the system has not changed much. Health care will still be dominated by profit-driven insurance companies. More public money will go to executive salaries and private industry profits. Tens of millions of people will remain

uninsured and costs will continue to increase. The challenge for the future is how to get public dollars to go to the nation's public health and not to corporations that serve as middlemen that do not provide health care.

The centerpiece of the "reform," subsidizing the insurance industry, forcing Americans to buy their overpriced product and more deeply embedding insurance market-control of health care, was barely debated. Only after passage of the bill is a debate beginning on whether this is within the constitutional power of government. Of course, the corporate media are saying the mandate is constitutional, not surprisingly since it is in the interests of corporate power. But never before has the federal government required Americans to buy a product. This unprecedented expansion of federal power raises a very real constitutional question that expands the Commerce Clause at a time when the Supreme Court is reining it in. Putting on my lawyer hat, I see this as unconstitutional and in the end it will be decided by a divided court. Click [here](#) and [here](#) for links to the legal arguments from a progressive and conservative perspective.

We never had a debate about whether it is a good idea to have the federal government force Americans to buy a corporate product. This major, unprecedented approach was lost in the din of death panels and the public option. Where does this precedent lead? Should Americans be forced to buy a retirement plan from JPMorgan or Bank of America to ensure retirement security? The U.S. already gives hundreds of billions annually in corporate welfare through crony capitalism, disguising it with "free market" rhetoric, not even counting the massive bailouts of the last year. This new form of corporate welfare will extend the big business-big government connection in new ways and further the pay-to-play politics of Washington, D.C., with more corporate money polluting politics.

The new law forces Americans to buy a corporate product that is overpriced and flawed. Americans could be required to pay up to 9.5 percent of their income on insurance that only covers an average of 70 percent of their medical expenses. In addition, insurance is allowed to deny care with no court review of that decision. As a result, someone with insurance, paying an expensive premium, could find themselves in bankruptcy as a result of this law. The major cause of bankruptcy before this bill was a health care crisis and a majority of those people had insurance. That will remain true under the new law.

What did we get? There were some attempts to fix insurance abuse, but every fix had a poison pill added by the insurance industry. A good example is insurance no longer being able to deny care for pre-existing illness. The poison pill, which may actually make things worse for more people, is the industry can charge people who do not meet their wellness guidelines double what they charge others. And, if you are older, they can charge triple. So, while you cannot be denied insurance, will you be able to afford it?

We also got expansion of coverage. The largest source of expansion is Medicaid – 16 million more people will be covered. Medicaid is woefully underfunded poverty medicine that pays doctors such poor reimbursement that many refuse Medicaid patients, and it does not cover all health needs. States are already stretched thin trying to pay for Medicaid resulting in more cuts to services and lowered payments to doctors. The federal government provides financial assistance but that ends in 2016. Relying on Medicaid re-enforces a caste system where health care depends on wealth.

The other expansion of coverage depends on people buying insurance. For many the

penalty in increased taxes will be more affordable than health insurance. And, businesses will find that it is much cheaper to pay a small fine than to provide insurance. More people will be pushed into the individual insurance market where the cost of insurance is rapidly increasing.

Perhaps the change that will have the most positive impact is one produced by Senator Bernie Sanders; a deal he got for not forcing a vote on single payer in the Senate, the expansion of funding by \$12.5 billion for community health centers so that they can double the patients they see. Community health centers are the foundation of primary care for residents of rural areas and inner cities, providing basic services such as blood and dental work for about 20 million U.S. residents.

I'm not going to review every detail of the bill here. Two clear-sighted reviews come from National Nurses United, the largest nurses union, and Physicians for National Health Program. You can see those [here](#) and [here](#).

Maybe more important than the specifics, because most of those have insurance company-written poison pills that undermine them, is that for the first time ever in U.S. history, the law codifies the view that all people should have access to health care, regardless of age, income, health or employment status. This bill does not achieve the goal, after fully implemented it leaves 23 million (at best) without health insurance and tens of millions more with inadequate health insurance because they are on Medicaid's poverty care or their private insurance does not fully cover them.

Now the law states an aspiration. Just as the U.S. is working to become a more perfect union, health care policy needs a lot of work, indeed some important paradigm shifts, before we achieve good quality health care for all.

What should real reform advocates do now?

The first step is to know clearly what we want: Public dollars should only go to health care not to insurance expenses, profits, and bureaucracy. That means a national health program based on expanded and improved Medicare for all so we cost effectively provide health care to everyone in the United States.

Organize a movement to achieve that clear purpose. Build from the base up, organized around congressional districts. The foundation of this movement will be a well educated and unwavering core group that will not compromise on core principles. There are already many strong organizations working for real reform (see [Health Care Now!](#), [Physicians for National Health Program](#), [Single Payer Action](#), [National Nurses United](#), [Progressive Democrats of America](#), [Prosperity Agenda](#)) that did not compromise and no doubt many of the groups that compromised now see that the result was unsatisfactory. And, polls consistently show majority support for a single payer national health program, so we are further along than many realize.

Apply strategies and tactics designed to achieve that end. We need to build a foundation of broad-based education and an understanding that you cannot compromise or effectively regulate the insurance industry. All the traditional tools of advocates have a role in the single payer movement: lobbying, litigation, voter initiatives, state-level reform, protest, civil resistance and elections to achieve our goals. On elections, the single payer movement needs to challenge incumbents in primaries and General Elections. The latter may be where

we have more power. The movement must be independent of either political party. One lesson we should learn from this year is we cannot count on any ally in Congress until we build a movement that adds to our power and theirs.

Those who recognize the need for real reform should not get stuck within the framework of the status quo. Now that the Democrats have further enshrined the insurance industry, some will urge that we work within that framework to improve the law. Tinker with insurance regulation, increase subsidies, and increase penalties for not purchasing insurance. Tinkering with the insurance industry is insufficient.

There will be a special push for a public option or lowering the age of Medicare. We cannot be fooled by this. These types of programs will leave in place the wasteful insurance industry that makes health care so expensive. There will only be a positive gain if everyone – those with insurance and those without, whether they get their insurance from work or the individual market – is able to participate. If these programs are limited to those without insurance they will do more harm than good because they will become a dumping ground for those who are priced out of the insurance market because of illness or age. It will make the public program fail and add to industry profits. We need to end insurance market-based health care and put in place a public health system that is publicly funded and covers everyone.

A particular spotlight needs to be kept on the insurance industry. Their behavior will not change with the new law, indeed it will worsen. Single payer advocates need to continue to highlight their abuses, denials of care, excessive executive salaries, rapid increases in premiums and cut backs in coverage. Tools like shareholder actions, boycotts and divestiture need to be used. When abuses occur the movement needs to use tactics like sit-ins at insurance companies to show that people are angry. See [www.MobilizeForHealthCare.org](http://www.MobilizeForHealthCare.org).

Those who recognize the need for real reform should not get stuck within the framework of the status quo. Now that the Democrats have further enshrined the insurance industry, some will urge that we work within that framework to improve the law. Tinker with insurance regulation, increase subsidies and increase penalties for not purchasing insurance. The framework of the law is insurance domination of health care. We need to change the framework, not work within it.

There will be a special push for a public option or lowering the age of Medicare. We cannot be fooled by this. These types of programs leave in the place the bureaucratic and expensive profit-driven insurance system. Such approaches only have a marginal positive gain if everyone – those with insurance and those without, whether they get their insurance from work or the individual market – are able to participate. If these programs are limited to those without insurance, as all the proposals considered did, they will do more harm than good because they will become a dumping ground for those who are priced out of the insurance market because of illness or age. It will make the public program fail and add to industry profits. We need to end insurance market-based health care and put in place a national public health system that is publicly funded and covers everyone.

The last year has seen an expansion of activism from those who favor improved Medicare for All. It is critical that the momentum of the movement not be slowed by a law that protects the status quo even if it is called reform. The urgent need for such change remains as tens of thousands will continue to die annually, and hundreds of thousands (mostly with

insurance) will go bankrupt. The task of providing health to all as a birth right still remains.

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