

The Case For Eliminating Obsolete Private Health Insurance

The authors made the case a dozen years ago that the multiple private insurance carriers that emerged during the last century can no longer provide a sound basis for financing our modern healthcare system. Nothing has changed. Alone among the nations of the world, the USA has relied upon private insurance to cover the majority of its population. **But the time for private insurance has passed.**

Healthcare now has become a major part of our national expenditures. The premium for an individual now averages more than \$4,000 per year, while a good family policy averages more than \$10,000 per year, comparable to 40 hours a week on minimum wage. As a consequence, though the USA spends far more on healthcare than any other nation, we leave millions of our people without any coverage at all. And those who do have coverage increasingly find that their plans are inadequate, exposing them to financial hardship and even bankruptcy when illness strikes.

If we believe that everyone should have healthcare coverage and that financial barriers should not prevent us from accessing healthcare when we need it, then it has become clear that the private health insurance system cannot meet our needs. Healthcare has simply become **too expensive to be financed through private insurance premiums.**

Supporters of insurance companies claim that they create efficiency through competition. However, the truth is that the insurance industry is increasingly concentrated, with three national firms, UnitedHealth, Wellpoint, and Aetna, dominating the industry. And the high and rising cost of healthcare shows that whatever competition there was in the past has not worked to hold down costs.

Supporters of private insurance also claim that it expands consumer choice. However, the choice of plans that these companies offer is not what consumers want; it is the choice of their physician and hospital, exactly the choice that private insurance plans, in the guise of managed care, increasingly deny us.

What has been the response of the health insurance industry to this situation? To protect their markets and try to make premiums affordable, they have reduced the protection afforded by insurance by shifting more of the cost to patients, especially through high-deductible plans. They have also targeted their marketing more narrowly to the healthy portion of the population, so as to avoid covering individuals with known needs for healthcare. Yet premiums continue to rise each year.

The so-called "universal healthcare" proposals being put forward by mainstream politicians would simply expand the current system without addressing any of its

problems. They would simply mandate that either our employers provide us with coverage or we, as individuals, purchase our own coverage in the private insurance market. These plans cannot work in the face of the high cost of premium-based coverage for the average person.

Some proposals would offer the option of buying a competing public plan, under the theory that the public program would be more efficient and effective. The flaw here is that the public plan would attract those who are unable to afford private coverage or who are paying high premiums or have no insurance because of pre-existing conditions. Placing these high-cost individuals in a separate government pool would make it unaffordable for most other people. This "death spiral" would cause the public plan to fail.

Everyone acknowledges that coverage for low-income individuals must be subsidized. **But what about the average-income individual and family?** If they must now be subsidized as well, we might as well throw in the towel and recognize that a more efficient, more equitable financing system has to be adopted if it has any chance of providing coverage while being affordable to the society. An individual mandate to purchase private insurance cannot provide good coverage while remaining affordable, while employer-provided coverage also can no longer be sustained as the premium costs to the employer become increasingly unaffordable.

The private insurance industry spends about 20 percent of its revenue on administration, marketing, and profits. Further, this industry imposes on physicians and hospitals an administrative burden in billing and insurance-related functions that consumes another 12 percent of insurance premiums. Thus, about **one-third of private insurance premiums** are absorbed in administrative services that could be drastically reduced if we were to finance healthcare through a single non-profit or public fund. Indeed, studies have shown that replacing the multiplicity of public and private payers with a single national health insurance program would eliminate \$350 billion in wasteful expenditures, enough to pay for the care that the uninsured and the underinsured are not currently receiving.

Such a single payer plan would make possible a set of mechanisms, including public budgeting and investment planning, that would allow us to address the real sources of cost increases and allow us to rationalize our healthcare investments. The drivers of high cost such as administrative waste, deterioration of our primary care infrastructure, excessive prices, and use of non-beneficial or detrimental high-tech services

and products could all be addressed within such a rationalized system.

In sum, we will not be able to control healthcare costs until we reform our method of financing healthcare. We simply have to give up the fantasy that the private insurance industry can provide us with comprehensive coverage when this requires premiums that average-income individuals cannot afford. Instead, the USA already has a successful program that covers more than forty million people, gives free choice of doctors and hospitals, and has only three percent administrative expense. It is Medicare, and an expanded and improved Medicare-For-All (Medicare 2.0) program would cover everyone comprehensively within our current expenditures and eliminate the need for private insurance. This is the direction we must go.

We are now living with Obamacare, a program that has kept the private health plans in play (at a time when we also have seen growth in the private Medicare Advantage plans and transfer of Medicaid to private managed care organizations). So where are we now? In spite of all the hype about the advances brought about by Obamacare and the prospects of, yes, adding a public option, we really haven't addressed the fundamental flaws with our healthcare financing system.

But now there is a difference. Sen. Bernie Sanders and some of his colleagues, including Rep. Pramila Jayapal, have provided us with the definitive single payer model of Medicare-For-All - a vastly superior model that would ensure that healthcare would be affordable and accessible for absolutely everyone forever.

But is it really different now? Just as before under Obama, the single payer model is being crowded out by demands that people should be able to keep their private health plans, maybe with the addition of a public option, and the media across the board is supporting that concept. With the encouragement of the insurance industry, some are now even advocating for private Medicare Advantage plans as an option not just for the elderly but for everyone, but this is merely a plot to hijack the Medicare-For-All label and gift it to the private insurance industry.

Last time we said we wanted a seat at the table, and we weren't even granted that. No more! This time we need to **take over the whole table.** We cannot afford to make room for the private insurance industry.

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PRESIDENT MARIANNE WILLIAMSON?

"Nobody but Bernie!" That's my bumper sticker. Okay? I mean I already promised my ballot to a fervent Berner. Right? But Marianne Williamson criticizes mandatory vaccination! She wants a Dept. of Peace. She ably argued for paying financial reparations to black Americans, criticized the panel of her competitors for corporate funding and displaying an out-of-touch "wonkiness," and accused President Trump of emboldening a "dark psychic force" of "collectivized hatred" among the American people.

Rolling Stone reporter Tessa Stuart was ecstatic: The second Democratic primary debate has come and gone. And unlike the first round, it was not a split-decision. There was a clear winner on Thursday night, and I think we can all agree who it was: Marianne Williamson. It wasn't just you or me who fell under the spell of the witchy moon-dancing, conventional-medicine-doubting, psychic warrior and Avatar superfan. Williamson was the most Googled candidate during Thursday's debates - more Googled even than Kamala Harris.

Being firmly established as a quirky part of the Election Entertainment Industry, she has become something of a phenomenon: a bonafide non-officeholding celebrity with a stack of best-selling books and regular appearances on "Oprah." Celebrity versus Celebrity in 2020!?! Her challenge offered to Trump at the end of the second debate was eloquent: "Donald Trump is not going to be beaten just by insider politics talk. He's not going to be beaten by somebody who has plans. He's going to be beaten by somebody who has an idea what this man has done. This man has reached into the psyche of the American people and he has harnessed fear for political purposes. So, Mr. President, if you're listening, I want you to hear me, please. You have harnessed fear for political purposes and only love can cast that out. So I, sir, I have a feeling you know what you're doing. I'm going to harness love for political purposes. I will meet you on that field. And, sir, love will win."

Win!?! The fivethirtyeight website belongs to one-time "Moneyball" prognosticator, Nate Silver. One of his walking algorithm masters, Nathaniel Rakich, speculated as to what it would take for love, i.e. Marianne herself, to win? "Williamson," he reported, "found purpose when she began reading the New Age spiritual guidebook, A Course in Miracles. She began to lecture on the book's teachings in Los Angeles in 1983 and soon attracted a list of wealthy and influential friends and admirers, including Oprah Winfrey, Cher, Laura Dern and Elizabeth Taylor, whose final marriage she officiated. Williamson also founded the charities Project Angel Food and the Centers for Living to care for people with HIV, earning her a devoted following in the LGBT community. Her teachings reached a national audience through multiple appearances on Winfrey's TV show, and seven of her 13 books made the New York Times best-seller list.

Although Williamson has never held elected office, she's no stranger to left-wing activism. In 2004, she founded an organization that advocates for the U.S. government to establish a

Department of Peace (that goal is also one of the policy planks in her 2020 platform); in the 2010s, she conducted a series of seminars meant to inspire more women to become politically engaged. And in 2014, she ran for California's 33rd Congressional District as an independent, a campaign that hinted at her ability to leverage her celebrity connections: Katy Perry and Kim Kardashian attended fundraisers for her, and Alanis Morissette even wrote her campaign song. Although she finished fourth in the all-party primary, she raised an impressive \$2.4 million, hired high-powered campaign staff and snagged the endorsements of politicians like former Michigan Gov. Jennifer Granholm and former Ohio Rep. Dennis Kucinich, for whom she had served as a "spiritual advisor" during his Presidential runs. In the 2016 Democratic primary, she was an early supporter of Sen. Bernie Sanders.

As for Williamson's 2020 operation, she has a campaign staff of 20 - "and growing," her communications director said - including field directors in all four early primary states. Williamson has already held 12 events in Iowa, and has gone so far as to move there. The candidate has also held 22 events in New Hampshire, making her one of the state's most frequent political tourists. An enthusiastic crowd of 2,000 supporters was on hand for her campaign announcement speech in California in January; watching the video of the speech leaves one with the impression that Williamson was giving self-help advice to the entire country - but also that, as a rhetorician by trade, she is undeniably charismatic. She is a dyed-in-the-wool progressive, including advocating 20 years ago in her book, *Healing the Soul of America*, for reparations for slavery. Williamson's policy planks also include ideas that have yet to catch on with the rest of the field, like creating a cabinet-level Department of Children and Youth, which the campaign believes will appeal to parents.

"Lack of experience in elected office is probably the biggest obstacle to Williamson's campaign," Rakich notes. "In our analysis of 2018 primaries for Senate, House and governor, we found that candidates who had previously held elected office got significantly more votes in Democratic primaries - in fact, having held office gave candidates the biggest boost in vote share of any factor we looked at. And in all of U.S. history, only two major-party presidential nominees have had no political or military experience before winning their party's primaries (although one of them was both very recent and very successful: President Trump). But Trump's secret to winning the GOP nomination in 2016 despite an apolitical background was the volume of free media coverage he received."

Williamson's performance at the Democratic Debate has given her greatly expanded media coverage. She has many journalist friends at places like the Washington Post. And in USA Today, Kristen Scott quotes Williamson approvingly: "The Democratic Party sort of lost the thread in terms of talking about the spiritual dimension. I talk to Democrats all the time who are deeply involved in their religious and spiritual lives. The problem isn't, once again, the rank-and-file Democrats. The problem is this megaphone in the hands of a corporate Democratic leadership machine that, yes, has adopted over the last few decades such an overly corporatist, secularized language that it makes many people of faith feel invalidated. The projection onto me that I'm some kind of New Age nutcase, for no other reason than that I'm a woman who values prayer and meditation, pretty much says it all."

Thanks to **Nathaniel Rakich**
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