

The Politics of Health Care:
Why Do Bad Things Happen to Good
Health Reforms?

League of Women Voters/Clinical Lecture Series Forum

Jonathan Oberlander

Department of Social Medicine

Department of Health Policy & Administration

UNC-Chapel Hill

Familiar Headlines

- “Number of Uninsured Escalates”
- “No Relief in Sight for Health Costs”
- “Health Insurance Gap Surges as Political Issue”
- “Coalition Unveils Plan to Cover the Uninsured”
- “Talk of Universal Health Care Grows”
- “States Take Initiative on Health Care Reform”
- “Candidates Outline Ideas for Universal Health Care”

Health Reform Déjà Vu

	<u>Then</u> (1990-1992)	<u>Now</u> *
Uninsured	35.5 million	47 million
% GDP Health Care	12.3%	16%
% Public Saying System Needs Major Change	90%	90%

*This Chart Revised and Adapted from Drew Altman

Groundhog Day in Health Reform

Then

Bush in White House
Clinton running for pres.
Iraq War
OJ in trouble

Now

Bush in White House
Clinton running for pres.
Iraq War
OJ in trouble

Cycle of U.S. Health Reform

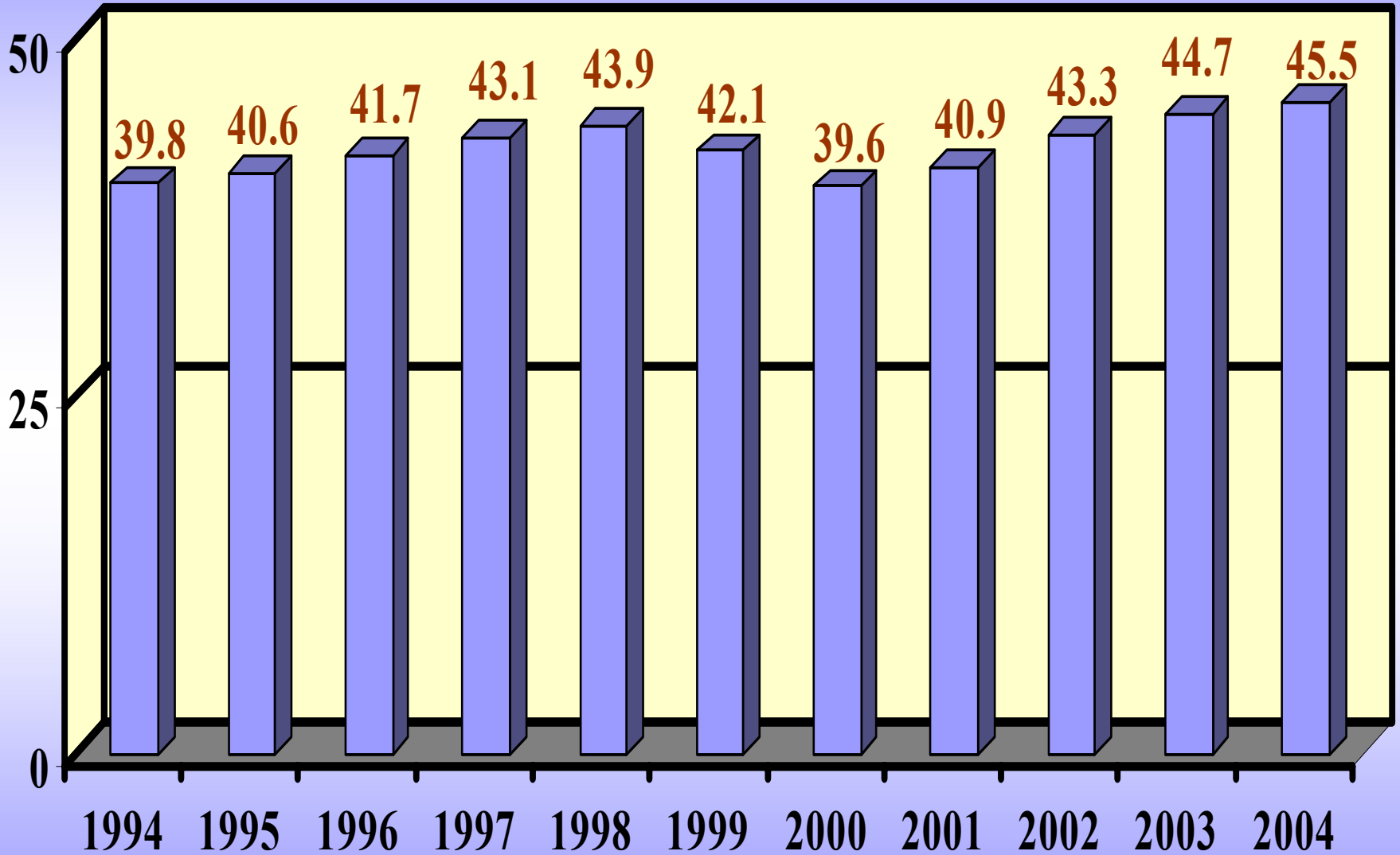
- Discover Crisis in Health System
- Identify and Debate Solutions
- Do Nothing or Not Much
- Ignore Issue
- Rediscover Crisis in Health System

Roadmap

- I. Rediscovering the Crisis
- II. Obstacles to Reform
- III. What's Next?

I. Rediscovering the Crisis

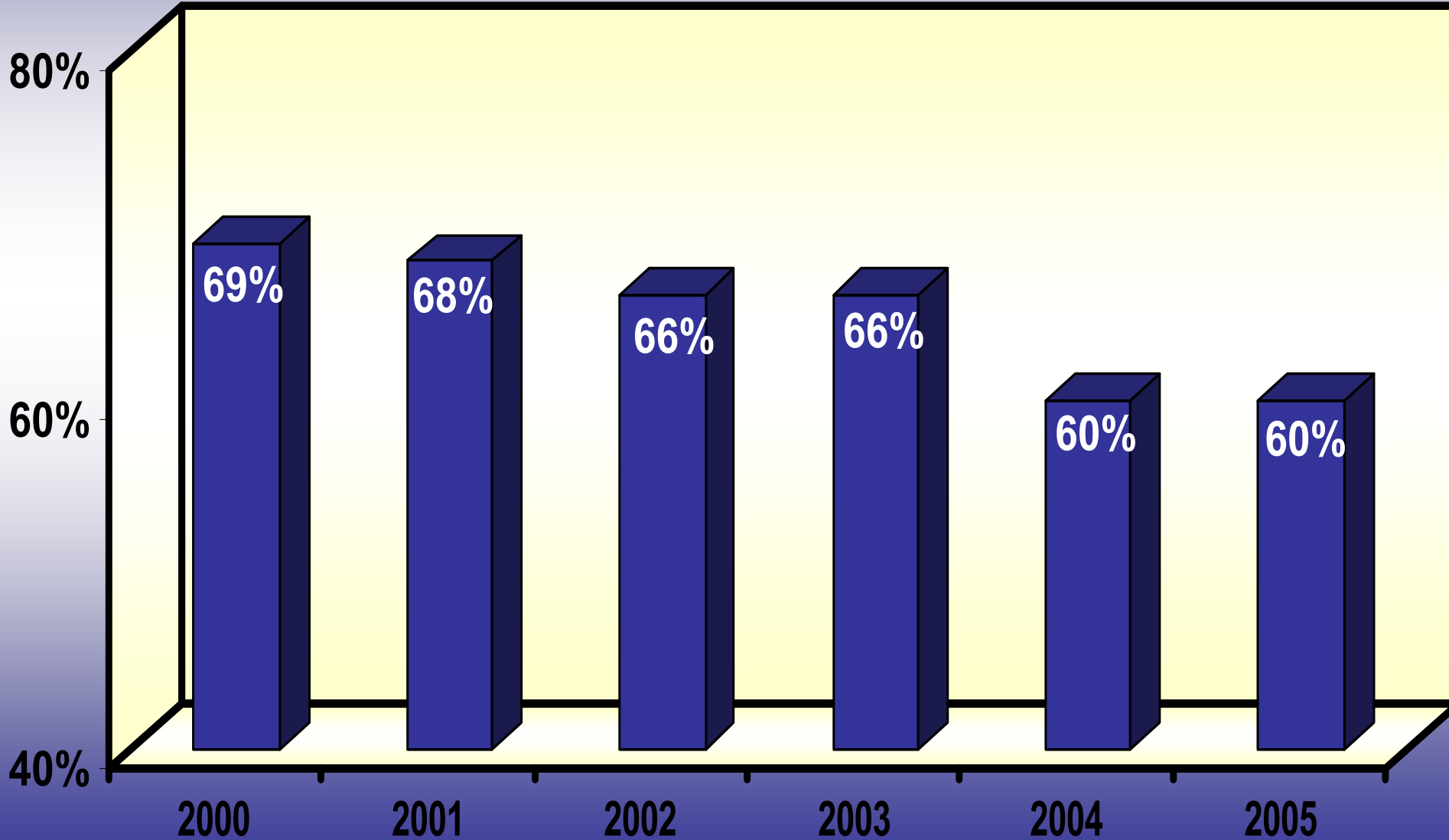
Number of Nonelderly Uninsured Americans, 1994 - 2004



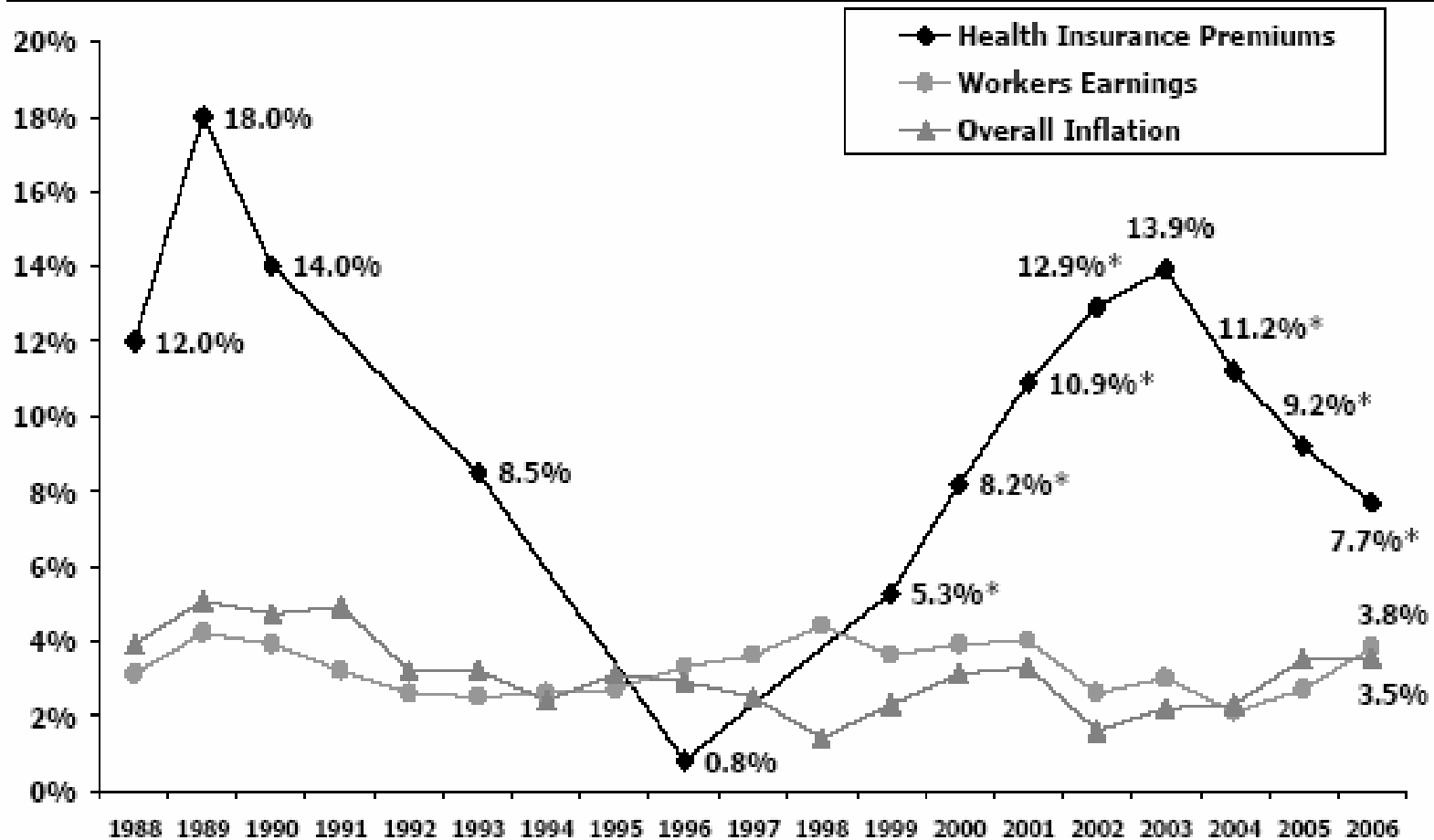
Source: KCMU and Urban Institute

□ Uninsured in Millions

Percentage of Firms Offering Health Benefits, 2000-2005



Increases in Health Insurance Premiums Compared to Other Indicators, 1988-2006



Without Health Benefits, A Good Life Turns Fragile

New York Times March 5, 2007

“She tried to buy a policy in the individual insurance market, but — having had cancer — could not obtain coverage, except at a price exceeding **\$27,000 a year**, which was more than she could pay.”

When Health Insurance is Not a Safeguard

New York Times, October 23, 2005

“Zachery Dorsett's parents thought their son was an average child who was having trouble getting over a passing illness. He was 7 months old, and it was his second case of pneumonia... But Zachery, who was eventually found to have an immune system disorder, kept getting sick, and **the expense of his treatment - fees for tests, hospitalizations, medicine - kept mounting, eventually costing the family \$12,000 to \$20,000 a year...** Earlier this year, the Dorsetts stopped making mortgage payments on their ranch house, because they could not afford them. **In March, they filed for bankruptcy.**”

Blue Cross Cancellations Called Illegal

Los Angeles Times, March 23, 2007

“ The state investigation found that Blue Cross used computer programs and a dedicated department to **systematically investigate and cancel the policies of pregnant women and the chronically ill** regardless of whether they intentionally lied on their applications to cover up preexisting medical conditions - a standard required by state law for canceling individual policies.”

II. Obstacles to Reform

Interests



Vs.



Institutions

Ideology

"This is a government-run socialized wolf masquerading in the sheep skin of children's health." Rep. Jeb Hensarling (R-Tex.).

Washington Post, 9/26/2007

Indifference

How Do the Insured Feel About Health Reform?

Does your health coverage give you access to good medical care at an affordable cost?

YES 87% **NO 11%**

Are you concerned that in next 5 years, you or anyone in your household might lost insurance?

YES 39% **NO 56%**

Source: *New York Times/CBS News Poll*, Feb. 2007

III. What's Next for Health Reform?

- * The Presidential Candidates

Forces Shaping Health Reform in Coming Years

- 2008 Elections & Iraq
- Economy & Budget
- State Health Reforms
- Middle Class & Anxiously Insured
- Business