

Defending the profits of the health care industry

White House Forum on Health Reform

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On Thursday, President Barack Obama hosted a White House Forum on Health Reform. The gathering of politicians, health care industry lobbyists and reform advocates produced no concrete policy proposals. Rather, it advanced broad "guidelines" for reform, all tailored to protect the profits of the major insurance companies, pharmaceuticals and health maintenance organizations (HMOs).

The US has the worst functioning health care system of any advanced capitalist country. Currently, nearly 50 million Americans, or one in six, are without health insurance, and a majority of the population carries on with either inadequate or unaffordable insurance plans. Americans pay more per capita for health care than residents of other developed countries, yet generally see worse results. Between private and government spending, health care consumes well over \$2 trillion annually. In large measure this money does not go toward providing services, but to line the pockets of health industry CEOs and investors.

The gathering was emblematic of the fraudulent character of Obama's "change." While he ran for the presidency on a promise to "overhaul" the health care system and vastly extend medical coverage, his Forum on Health Reform provided a venue for the major health industry interests to dictate terms for future legislation. Behind Obama's claims of "bipartisanship" and gaining cooperation from all interested parties is a simple reality. His health care reform, like his administration as a whole, will serve the interests of the financial elite.

This message was received by industry representatives and lobbyists, who expressed satisfaction with the forum. Among these were Karen Ignani, president of America's Health Insurance Plans,

Rich Umbdenstock of the American Hospital Association, the CEO of pharmaceutical giant Pfizer, Jeff Kindler, and Pharmaceutical Research and Manufacturers of America head Billy Tauzin.

In an article entitled "In Health Plan, Industry Sees Good Business," the *Washington Post* quoted a pleased Tauzin. "This is a great start," he said. "There are things we don't like about it. But there's time to discuss all that."

Also on board is Chip Kahn, president of the Federation of American Hospital Systems. In 1993, Kahn played a role in crafting the media campaign that helped to turn decisive sections of the ruling class against President Bill Clinton's modest health care reform proposals.

The *Wall Street Journal* approvingly noted Obama's retreat from the Clinton years. "The very groups—and in some cases, the very people—who were instrumental in blocking the Clinton plan were at the White House on Thursday, vowing to make it happen this time around," it wrote.

As for addressing the pressing health care needs of the population, Obama was full of platitudes but short on proposals, at one point declaring "I just want to figure out what works." He indicated that his central goal would be containing spiraling health care costs—the rapidly rising prices associated with medicine, treatments, and hospital stays. Precisely how this would be done, he did not explain.

Obama did make clear, however, that he intends to retreat from his broader campaign promises on health care. "During the campaign," he said, "I put forward a plan for health care reform. I thought it was an excellent plan. But I don't presume that it was a perfect plan or that it was the best possible plan."

Among these promises was a plan to create a public

health insurance provider that would compete with private insurers. This has provoked the ire of the health care industry. In the lead-up to the forum it also drew a warning from five leading Republican senators, including minority leader Mitch McConnell of Kentucky.

Writing to Obama, they warned that a public health provider, even one based on consumer payments, would chase private insurers from the market. "It would create an unlevel playing field and inevitably doom true competition," the senators wrote. "Ultimately we would be left with a single government-run program controlling all of the market."

Buckling under this rebuke, Obama all but promised to abandon the scheme. "I recognize the fear that if a public option is run through Washington," he said, "private insurance plans might end up feeling overwhelmed."

Obama had originally proposed paying for his health care proposals by closing tax loopholes on the richest Americans. This plan raised objections from powerful senate Democrats, among them Max Baucus, Finance Committee Chair. At a budget hearing on Wednesday, Treasury Secretary Timothy Geithner indicated Obama would drop the plan.

In the hearings, Baucus protested that closing tax shields for the rich "has nothing to do with health care." To which Geithner responded, "We recognize there are other ways to do this."

To be sure, there are sections of the ruling class that favor changing the health care system. US manufacturing, for example the auto industry, is unable to meet the spiraling costs of health care benefits that workers won from the Big Three in an earlier era. The auto industry would now welcome a publicly run system that would relieve it of these obligations.

Yet the health care industry is a powerful force in the ruling class, closely tied to finance capital through the insurance industry. The *Post* describes it as "one of the mightiest political forces in Washington, spending nearly \$1 billion on lobbying and contributing \$162 million to candidates of both parties over the past two years." Obama's first nominee for Secretary of Health and Human Services, former senator Tom Daschle, withdrew his candidacy after revelations that he had not paid taxes on what were essentially lobbying payments from major health industry players. The industry gave

Obama \$19 million in his run for the presidency.

With his health care forum, Obama has set out to achieve the impossible: effect health care "reform" that in no way touches the wealth and power of the health care industry.

In fact there can be no resolution to the crisis in the American health care system that does not take as its starting point wresting away control of the industry from the insurers, pharmaceuticals and for-profit hospital companies.

The subordination of health care to the profit system costs, quite literally, millions of lives the world over each year. Hundreds of millions more suffer with eminently treatable conditions. In the US, millions forego necessary medical treatment for lack of money.

This is an unnecessary tragedy. Medical science has produced enormous breakthroughs, many of these pioneered in the US. And there are millions of dedicated and talented doctors, nurses and health care professionals. Yet capitalism stands like a Goliath blocking the road to even the most modest improvements.

The hospitals, factories and technology of the health care industry must be taken out of the hands of big business and placed under the democratic control of its doctors, nurses and workers, who will determine how medicine's enormous potential can be best deployed to meet human needs, rather than the profit imperatives of the CEOs and investors.



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