

# A health care plan for big business

Joseph Kishore  
13 March 2009

The health care "reform" proposals being developed by the Obama administration, like every element of its policy, are entirely subordinated to the interests of the corporate and financial elite. For this reason, they are not only inadequate, they are reactionary and will serve only to deepen the health care crisis in the United States.

The nature of the administration's policy agenda was on display in remarks the president made on Thursday before the Business Roundtable, an association of CEOs at major US companies. At a time when the US and world economy are entering a depression of historical dimensions, brought on by the speculative mania of the ruling elite, Obama insisted that the free market was "the very engine of America's progress—the source of a prosperity that has gone unmatched in human history."

The economic crisis, Obama said, must not lead to attempts to "supplant private enterprise," but rather should be seen as an incentive to create "the conditions for thousands of entrepreneurs and new businesses to adapt and to thrive." Obama proclaimed his hope that businesses would become more profitable, and made clear that his administration would be solicitous to the needs and concerns of the corporate elite. These remarks were met with a warm and enthusiastic response from the assembled executives.

It is these social interests that will determine the content of the new administration's health care policy. Speaking on health care, Obama made clear that his fundamental concern was to drive down costs so as to make businesses more competitive. The "exploding cost of health care," he said, was "sinking our best businesses or putting enormous strains on your bottom lines."

Timed to coincide with Obama's appearance, the Business Roundtable released a report Thursday, the "Care Value Comparability Study." The report

describes a "value gap" that US businesses face relative to rivals in Canada, Japan, Germany, the UK and France. According to the CEOs, American businesses spend too much money on health care with less to show in terms of the health of the American workforce.

Obama declared himself open to all manner of right-wing proposals aimed at cutting costs. During the question-and-answer portion of the meeting, one CEO pointed to the need for "medical liability reform"—that is, reducing the ability of consumers to sue negligent medical providers and insurance companies—and for Medicare payments reform. Obama indicated his support for both of these ideas.

As of yet, the administration's health care proposals have been described only in the vaguest terms. This is for definite reasons. Obama is seeking a procedure for ditching even his limited campaign pledges regarding health care. At the same time, he wants to make clear that business interests will have the final say on how any new program is structured.

The event on Thursday coincided with a series of regional health care forums, including one held in Michigan the same day, and followed a summit held last week at the White House. The aim of these meetings is to bring together politicians of both parties with leading figures in corporate America, including the health care and insurance industries, to work out proposals that will improve the profitability of American corporations.

Among the most active participants are industry representatives, including Karen Ignani, president of America's Health Insurance Plans, Richard Umbdenstock, president of the American Hospital Association, and Billy Tauzin, president of Pharmaceutical Research and Manufacturers of America. During his tenure as a congressman from Louisiana—first as a right-wing Democrat, then as a Republican—Tauzin assiduously promoted the interests

of the giant drug companies.

According to a March 6 article in the *New York Times*, these three individuals are also the leading figures in a group known as the Healthcare Reform Dialogue, which is developing recommendations for the Obama administration. The *Times* noted that two unions had withdrawn from the coalition after it became clear that even their extremely limited reform proposals would not get a hearing.

Also active in the discussions are individuals who led the campaign to torpedo the Clinton administration's attempts at modest health care reform, including Chip Kahn, president of the Federation of American Hospital Systems.

It is already clear that a number of the proposals on which Obama campaigned only a few months ago—including a limited government-operated insurance program and a measure that would force employers to pay more for health care—will be ditched. Other more far-reaching proposals, such as the establishment of a single-payer universal health insurance program, have been excluded from the discussion entirely.

Unlike many industrialized countries, the United States never implemented a state-run universal system of health insurance or health care. Some 50 million Americans are completely uninsured, while tens of millions more are inadequately insured. Most workers who are able to get insurance do so through their employers or from Medicare or Medicaid, the federal entitlement programs for the elderly and the poor. Others are forced to purchase high-cost private insurance.

In the midst of a growing economic crisis, employers are anxious to cut costs by reducing health care payments or eliminating company insurance programs completely. The program developed by the Obama administration will likely establish as a substitute the partial subsidization of private insurance. This will be a boondoggle for the insurance companies and allow companies to cut back or eliminate health coverage for their employees, while forcing workers to pay more for less-comprehensive care.

At the same time, the Obama administration has declared its intention to drive down costs for the major government-funded entitlement programs—Social Security, Medicare and Medicaid.

A genuine solution to the crisis of health care must

begin from the necessity of eliminating the stranglehold of the profit motive over this most basic social need. Every year, tens of thousands of people in the US and tens of millions internationally die due to entirely preventable health problems. The enormous advances in technology and medicine developed over the past several decades are prevented from being made available to all people by the capitalist system.

The program of the Socialist Equality Party is for the transformation of the hospital chains, drug manufacturers and insurance companies into democratically controlled public utilities, to create a health care system that operates on the basis of human need, not private profit. Quality health care must be available to everyone as a basic right.

Joseph Kishore



To contact the WSWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**