

Obama chooses private profit over healthcare needs

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President Obama's Saturday address initiated the public phase of his administration's effort to pass major healthcare legislation. His remarks were notable for the absence of any reference to the actual crisis facing tens of millions of working people in the United States: more than 47 million people are living without health insurance, and millions more are underinsured and face crippling bills and even bankruptcy in the event of a serious illness.

Instead, Obama focused entirely on the rising cost of healthcare, which he presented as a major problem both for the federal government, the largest single payer of healthcare bills, and for corporate America. He declared, "The soaring costs of health care make our current course unsustainable" and pledged to heed concerns "that the ballooning costs of Medicare and Medicaid could lead to fiscal catastrophe down the road." In other words, the administration is concerned, not about improving healthcare services for the American people, but about cutting costs in order to improve the financial health of American capitalism.

The Obama administration has already ruled out the only rational response to the crisis of healthcare availability: the establishment of a single-payer system in which the federal government would guarantee universal access to healthcare as a matter of right. Every other advanced industrialized country has some form of universal coverage. But such a system would eliminate the tens of billions raked in by insurance companies whose "business model" requires that they limit coverage, deny treatment or reject bills—in other words, it would infringe on the "right" of MetLife, Aetna, CIGNA and other giant corporations to make a profit from illness and disease.

The abortive healthcare reform plans of the last Democratic administration, headed by Bill Clinton, collapsed ignominiously in 1993-94 in the face of intransigent opposition from the insurance companies,

drug companies and for-profit hospital chains. Obama boasted in his Saturday address that he had made progress in wooing the opponents of healthcare reform to join instead of oppose him.

"Unlike past attempts at reforming our health care system, everyone is at the table—patient's advocates and health insurers, business and labor, Democrats and Republicans alike," he said. By now the rhetoric from the White House is familiar, even predictable. Take any critical and highly charged political issue, acknowledge the opposing factions involved, and announce that your goal is to "resolve the differences." But in the case of healthcare, there is an intrinsic conflict between the right of the people to enjoy the benefits of modern medicine and the profits of the capitalists who control the insurance industry, the manufacture of drugs and medical equipment, and the operation of for-profit hospitals and nursing homes. Obama has come down decisively on the side of these giant corporations.

There is no difficulty, intellectually or technically, in devising a rational healthcare system. Advances in science and technology make it possible to deliver adequate healthcare services to the entire population at a fraction of the current cost. Every person should have access to healthcare as a basic right and be able to choose their own doctor and receive treatment at a modern, clean, well-run facility, run as a public utility either at no cost to patients at all, or with a modest fee. Medical bills should be relegated to the museum of antiquities, along with the saws used to conduct surgery without anesthesia.

But such a system would require putting an end to the private, profit-making medical industry, one of the most lucrative sources of wealth for the financial aristocracy that rules America. The pharmaceutical and medical equipment companies, the insurance industry, and the hospital and nursing home chains would be nationalized and operated under democratic control as a public

service—a transformation that the vast majority of the American people would applaud.

Doctors would become well-paid salaried employees, like airplane pilots or nuclear physicists, not businessmen/owners concerned with profit maximization—a transformation that physicians genuinely concerned with patient welfare would welcome. Instead of a medical system driven by the dictates of insurance companies and HMO “gatekeepers,” medical decisions would be made by healthcare professionals based on the welfare of their patients.

Socialized medicine would be nothing but beneficial for small businessmen as well, since it would relieve them of an employee benefit cost that puts them at the mercy of rate hikes demanded by insurance companies. Small proprietors and self-employed professionals would have the same access to the healthcare system as all other working people, unlike the present system where they frequently go without coverage or pay prohibitive individual rates.

Despite the fevered rhetoric of the ultra-right, the Obama administration’s plans have nothing in common with such a restructuring of the healthcare system along socialist lines. On the contrary, Obama has repeatedly sought to reassure the profiteers that their interests will be looked after and that they are better off at the table, working with him, than outside. The for-profit healthcare and insurance firms have taken up this offer with enthusiasm.

A major reason for the changed posture of the corporations is the financial crisis sweeping world capitalism. They see Obama’s healthcare “reform” as an opportunity to join the banks and speculators in raiding the federal treasury. These concerns are evident in the plans being drafted at the White House and by congressional committees.

One key provision is a mandate that every American buy health insurance coverage, similar to the requirement that automobile drivers purchase liability insurance. This will produce a guaranteed market of tens of millions of new insurance customers for the private companies, with the federal government helping low-income purchasers—in effect, providing a mammoth federal subsidy to the insurance companies. The number of people buying private health insurance has declined by 9 million since 2000 because of soaring premiums, deteriorating real incomes and employer cutbacks in benefits. This decline will accelerate as baby boomers become eligible for Medicare beginning in 2011 and leave the private market.

The “debate” between the Republicans and Democrats in Congress involves little more than the terms on which hundreds of billions in treasury dollars will be turned over to the healthcare profiteers. The Obama administration wants to offer a public option as an alternative or supplement to private insurance, in the name of promoting competition and “keeping the insurance companies honest.”

The Republicans, and a sizeable number of right-wing Democrats, oppose any public option—largely for ideological reasons, since they fear the establishment of any form of public health insurance, no matter how inadequate, will lead to demands for a fully public healthcare system. One consulting firm recently estimated that 119 million of the 172 million now privately insured would switch to a public health plan that paid Medicare rates and charged premiums accordingly.

An analysis in the *New York Times* Sunday noted “the fears of private insurers that they would not be able to compete with a Medicare-like option and might gradually be priced out of existence,” and cited the arguments of right-wing critics of Obama “that with low administrative costs and no need to produce profits, a public plan will start with an unfair pricing advantage.”

One could hardly state the advantages of a fully state-run healthcare system more succinctly. A system with “low administrative costs and no need to produce profits” might be regarded as “unfair” by the healthcare profiteers, but it is the only way to meet the needs of working people to healthcare that is decent, affordable, and available to all as a basic human right.

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