

# Take the profit out of health care

Kate Randall  
23 June 2009

Americans are overwhelmingly dissatisfied with the state of the nation's health care system. A *New York Times*/CBS news poll released over the weekend showed that 85 percent of respondents said that the health care system needed to be fundamentally changed or rebuilt.

The survey also found that 72 percent would support a government-administered insurance plan, and that half of those questioned thought the government would do a better job than private insurers at providing medical coverage.

The reality, however, is that health care reform being promoted by the Obama administration, and being drafted and debated in the House and Senate, will not address the burning health care needs of millions of adults and children. The entire debate in the White House and Congress is framed from the standpoint of cutting costs, rationing care and defending the profits of the giant health care conglomerates.

Close to 50 million people in the US have no health insurance. According to a study in March by Families USA, 86.7 million individuals found themselves in this category at some point over the previous two years. The recession has pushed 4 million people into the ranks of the uninsured—either through job loss or the inability to pay for personal coverage, a Center of American Progress study reported in February.

An additional 25 million Americans are “underinsured,” a 60 percent increase over 2003. This means a staggering 42 percent of people in the US under the age of 65 have no insurance or inadequate coverage. Unpaid medical bills are also a contributing factor in more than 60 percent of personal bankruptcies.

But in the face of these truly scandalous statistics, Obama administration officials and Congressional Democrats have been straining to prove that the driving force of their visions of health care reform is not the

medical—let alone financial—well-being of the vast majority of the population, but rather “fiscal responsibility.”

Assessments by the Congressional Budget Office of two Democratic Senate proposals showed projected costs of \$1 trillion and \$1.6 trillion respectively over 10 years for the plans. Both proposals also included a “public option” component—evoking calls of “socialized medicine” from Congressional Republicans and a cowed response by the proposals’ authors, who are scurrying to draft alternatives.

Three House panels are holding hearings this week to debate the matter. Two key issues are under discussion: the overall cost of any proposed legislation, and the form any “public option” would take (or whether such an option should be included at all).

Various versions of the “public option” are being advanced. None of these options bear any resemblance to socialized medicine, and they would in no way challenge the private, for-profit operation of the healthcare system.

One would be based on a Medicare-style model, competing with private alternatives in a national insurance “exchange,” open to people without workplace coverage. Another is a “weak public option,” which would be organized at the state level, and would operate somewhat like self-insured state employee plans. Yet another would allow for government-chartered but privately run insurance “cooperatives.”

Most Republicans and some Democrats oppose these various versions of the “public option” because they would compete with private insurers and drive down costs.

This underscores the main opposition of the political establishment to any new government-run program: that it would cut into the profits of the insurance companies, health-care corporations and

pharmaceutical companies.

The Obama administration's defense of its healthcare reform is based foremost on pledges to trim costs and curtail medical services. The administration has launched a media campaign in an effort to convince the insurance corporations and medical establishment that his administration is committed, above all, to "fiscal responsibility" in any reform of the healthcare system.

Appearing on "Good Morning America" on Monday, Health and Human Services Secretary Kathleen Sebelius said the cost of health care is "crushing families and businesses." She then went on to explain that the solution is to cut back on health care services—and argued that these cutbacks would actually be good for patients!

While insisting that "nobody's going to tell your doctor he or she can't do a procedure," she said, "There'll be a set of protocols that we know, at the end of the day, actually produce a better result for you."

Asked whether people could expect to be healthier with fewer tests, Sebelius quipped, "You bet."

On the same program, Nancy-Ann DeParle, director of the White House Office of Health Reform, estimated that "as much as 30 percent" of medical tests in the US were unnecessary, intimating that such tests would be targeted for elimination.

The most sober and chilling outline of the Obama health care reform was given in a comment by budget director Peter Orszag last week in the *Financial Times*. In an opinion piece titled, "A plan to boost America's fiscal health," he wrote, "Reducing the number of tests, procedures and other medical costs that do not improve health presents an enormous opportunity."

Orszag then elaborated how the Obama administration would be taking advantage of this "opportunity," through Medicare and Medicaid "efficiencies," with proposals to slash more than \$600 billion from the programs.

He added that these health care cuts would not be the end to "our commitment to fiscal responsibility." "Once health care reform is in place," the budget director wrote, "the US can then focus on other aspects of fiscal sustainability, including Social Security reform."

These comments are revealing, in that they highlight that any privately controlled, for-profit organization of the health care industry is antithetical to a system that

would provide high-quality, affordable health care to the broad mass of the American people.

The outcome of Obama's reforms will be, in the end, that the majority of Americans will have *less health care* than they do at present. Indeed, the state government of California, with the full support of the Obama administration, is already planning the elimination of key social programs, including subsidized health care to hundreds of thousands of children.

In a society ever more polarized and dominated by a financial aristocracy—and with a president who functions as its instrument—no expense is to be spared to bail out the banks and financial institutions, while a "reform" of the health care system is to be accompanied by healthcare rationing and massive spending cuts.

The alternative is a fully state-run healthcare system, run by a government controlled by working people, providing health care and other vital social services as a basic human right. This can only be accomplished within the framework of the socialist reorganization of the economy as a whole, in which the banks and large corporations—including the medical, insurance and pharmaceutical giants—are transformed into democratically controlled public utilities.

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