

The New York Times and Obama's health care counterrevolution

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The *New York Times* has again come to the defense of Obama's proposals to overhaul the US health care system, this time with an editorial extolling the virtues of legislation enacted three years ago in the state of Massachusetts.

In an August 8 piece headlined "The Massachusetts Model," the *Times* in typical fashion utilizes cynical language and false arguments to manipulate public opinion in defense of the Obama plan, while advising its proponents on how the plan should be crafted.

The *Times* editors makes clear that their support for the Massachusetts plan is based, not on its improvement of health care provision for the state's residents, but on its drive to contain and cut costs and boost the profits of the insurance companies. Holding down costs in the future, they write, "will take great creativity and political will."

This advice is not in the main aimed at the Massachusetts state legislature, but at the Obama administration and Congress, who must, they counsel, summon the "political will" to revamp the health care system in order to slash costs and ration care.

The *Times* seeks to boost Obama's health care initiatives at a time when there is growing concern in the US population that the restructuring being promoted in Washington will come at their expense, while protecting the interests of the insurance companies and pharmaceuticals.

A Gallup Poll released Wednesday shows that 49 percent of Americans say they disapprove of the president's handling of the health care issue, while only 43 percent approve.

The *Times* disputes claims by "opponents of health care reform" that the Massachusetts plan is a "fiscal disaster, and that the whole country will be plunged into a similar disaster" with Obama's proposals.

They note first of all that the legislation has resulted in "near universal coverage," with 97 percent of state residents having health insurance. The choice of language here is significant. Absent is any pretense that the goal of new health care legislation should be to provide quality, universal health care for all.

is important, in the *Times*' opinion, ~~What~~ the Massachusetts plan has been implemented "without huge increases in state spending." This is "heartening news," the paper declares, "given that the major features of the Massachusetts reforms are similar to those under consideration in Washington."

The editorial makes clear that the state plan should serve as a model for the legislation being promoted by Obama. But while the authors are notably vague on the details of the Massachusetts plan, a brief examination of some of its major features sheds some light on why the *Times* holds up the plan as an example to follow.

One of the main similarities between the Massachusetts plan and Obama's proposals is the individual mandate. All state residents are required to obtain health insurance or pay a penalty. Employers, the editorial notes, are required "to offer coverage or pay a modest fee."

As in all the versions currently working their way through Congress, Massachusetts residents who do not qualify for state-subsidized insurance, or who are not provided what is considered "affordable" coverage through their employer, must purchase insurance through an "exchange," in this case the state's Health Connector authority.

The *Times* chooses not to elaborate on the potential costs involved in complying with the individual mandate. A family of four can expect to pay in excess of \$1,000 a month for the plan with the least amount of coverage. Over and above this premium, they are responsible for \$3,500 in deductibles, sizeable co-pays on prescriptions and office visits, and as much as \$10,000 in out-of-pocket expenses for hospitalizations or other costly treatments.

Penalties are steep for individuals who do not purchase insurance because they cannot afford it—up to \$1,068 a year. As the editorial indicates, however, the fines charged to companies that do not provide insurance for their employees are indeed "modest"—\$295 annually for each worker in excess of ten. This token penalty provides an incentive for companies to either not provide insurance or to downgrade or drop existing coverage.

While evading these inconvenient details about the Massachusetts plan, the editorial goes on to defend cuts in benefits that have been carried out since its implementation. Drawing up the budget this year, the state Senate proposed to eliminate funding for about 28,000 legal immigrants under the subsidized Commonwealth Care program. After some negotiation, it is likely that the state will now fund only \$40,000 to \$60,000 of the \$130,000 needed to fully fund coverage for these individuals, forcing thousands of them onto the state's welfare program.

The editorial hits back against critics who, citing this attack on immigrants' benefits, "were quick to charge that the program was unraveling." They write, "but as state tax revenues have dropped during the recession, virtually all state programs have had to accept cuts. The demand for subsidized care has also risen as people have lost jobs."

This is a remarkable rationalization. The threatened cuts targeting immigrants must be accepted because the state budget has been hit across the board and other programs have been ravaged, due in large part to the deepening recession. The economic crisis and growing unemployment rates will ultimately place even greater pressure on any national plan that is legislated, and it can be expected that the *Times* will similarly justify any large-scale reductions as unavoidable.

Noting that "insurance benefits had to be scaled back to keep costs manageable," they then refer to various "growing pains and glitches" in the Massachusetts success story. These have included a hike in the cigarette tax to raise revenues, a rise in the number of people reporting difficulty paying their medical bills and gaining access to care, tens of thousands of people being exempted from the mandate because they cannot afford to buy coverage, and complaints over extortionate premiums.

The editorial finally gets down to what it considers the most attractive feature of the Massachusetts plan, a proposal to "to move its entire health care system away from reliance on fee-for-service [FFS] medicine." A "payment reform" panel commissioned by the state legislature last year has recommended scrapping, over five years, the traditional payment system in which health care providers are reimbursed for each patient visit, procedure, etc.

Under such a "global payments" system, doctors and hospitals would be compensated for treatment and procedures performed over a period of time, not for individual services. (See "A model for Obama's health care plan—Massachusetts proposes rationing of health care for workers")

The *Times* remarks approvingly that this proposal, which would impose dollar limits on health care for working people, "is far more ambitious than anything currently being

contemplated on Capitol Hill." Such a move, they argue, would create conditions where doctors and other health care providers would "deliver only the most appropriate care, not needless and excessively costly care, with safeguards to ensure that they do not skimp on quality."

Who is to determine what care is "appropriate," and what is "needless and costly"? In a capitalist, for-profit system, abolishing the fee-for-service system and replacing it with an annual cap will result in a situation where the insurance companies calling the shots will seize upon this restructuring to limit and deny care.

The inevitable result—envisioned by the Obama administration and promoted by the *Times*—would be a class-based system of care in which the vast majority of workers and their families receive inferior, cut-rate services. The wealthy, of course, would continue to receive the best care money can buy.

While continually maintaining that his health care proposals will not result in reductions in medical care, Obama has pushed for doing away with FFS payments as part of his drive to effect "cost-effective" health care delivery, code words for rationed care.

The *New York Times*, as the media representatives of what passes for the liberal establishment, has spearheaded the campaign in support of Obama's health care proposals. The newspaper's support for the "Massachusetts model"—particularly the state's proposal to phase out fee-for-service payments—is a clear indication that any version of health care legislation that eventually emerges from Congress will be of a reactionary, cost-cutting character.

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