

Obama advisor champions rationed health care

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Ezekiel J. Emanuel is a close advisor to the Obama administration on issues of health care policy. He currently serves as a special advisor on health policy to the director of the White House's Office of Management and Budget and is the chair of the Department of Bioethics at the Clinical Center of the National Institutes of Health.

He has authored several books, including most recently *Healthcare Guaranteed: A Simple, Secure Solution for America*, which elaborates his plan for restructuring the US health care system. [1]

In March, Emanuel, a breast oncologist, was appointed to the Federal Coordinating Council for Comparative Effectiveness Research. The 15-member body was authorized by Obama's American Recovery and Reinvestment Act (ARRA) to provide "information on the relative strengths and weaknesses of various medical interventions" in relation to federal programs.

Obama has pledged to slash more than \$600 billion from Medicare and Medicaid as part of his health care plan. Utilizing comparative effectiveness research (CER), this council will recommend cuts—in the form of cost-cutting "efficiencies"—to these federal programs for the elderly, disabled and poor. The cuts are central to Obama's overhaul of the health care system and are supported by all versions of legislation currently under consideration in Congress.

For decades, efforts to slash Medicare benefits have been frustrated by political opposition, particularly from the working class and senior citizens. The appointment of this body is a thoroughly anti-democratic effort to ride roughshod over this popular opposition to implement deep cuts that will severely impact the health and lives of millions of Americans.

In his advisory capacities, Ezekiel Emanuel—the brother of White House Chief of Staff Rahm Emanuel—has been placed in a strategic position to influence the Obama administration on these policies. An examination of Emanuel's vision of health care restructuring reveals that Obama's proposals have been informed by many of its guiding principles. Key among them are the defense of a health system based on private profit and the delivery of class-based, rationed medical care for the majority of Americans.

Opponents of Obama's health care initiatives have attacked Emanuel for writings in which he advocates rationing care, particularly for the elderly, infants and those with mental or physical disabilities. He argues that this is necessary to ensure access to finite health care resources to what he deems to be more "participating" and productive segments of society.

Many of the attacks on Emanuel have come from the right, including Republicans who are masquerading as defenders of health care for ordinary Americans. However, these right-wing opponents of Obama's proposals are seizing on aspects of Emanuel's theories that are, in fact, deeply reactionary.

His recommendations about who will and will not receive certain health

care services proceed from the premise that health care must remain subordinated to private profit and that "reform" must be geared to cutting the cost of health care for corporations and the government.

To give some examples, in a piece published in the November-December 1996 *Hastings Center Report*, Emanuel writes that "services provided to individuals who are irreversibly prevented from being or becoming participating citizens are not basic and should not be guaranteed. An obvious example is not guaranteeing health services to patients with dementia." [2]

A more recent article, appearing in the January 2009 *Lancet*, spells out his attitude towards limiting "scarce" medical resources for the elderly. "Unlike allocation by sex or race, allocation by age is not invidious discrimination: every person lives through different life stages rather than being a single age." [3]

He explains why adolescents might receive care at the expense of infants, arguing: "Adolescents have received substantial education and parental care, investments that will be wasted without a complete life. Infants, by contrast, have not yet received these investments.... It is terrible when an infant dies, but worse, most people think, when a three-year-old child dies, and worse still when an adolescent does." [4]

In all of these scenarios, Emanuel presents the necessity of rationing as if scarcity of medical services and technologies were a natural occurrence, rather than the result of the organization of society on a capitalist basis.

In reality, there are already vast resources that could be devoted to providing quality health care for all members of society, and all the objective prerequisites for exponentially increasing these resources.

However, in a society where the richest 1 percent controls more of wealth than the bottom 95 percent combined, these resources are squandered in the interest of private profit. Emanuel's insistence that scarcity is the starting point for social policy is both intellectually dishonest and politically reactionary.

In the *Hastings Center Report* cited above, Emanuel puts forward what he considers to be the criteria for deciding how health care should be distributed under conditions where it is limited by the workings of the "free-market." It is instructive to quote his exposition at some length, as it reveals the class basis of his supposedly ethical justification. He writes:

"The fundamental challenge to theories of distributive justice for health care is to develop a principled mechanism for defining what fragment of the vast universe of technically available, effective medical care services is basic and will be guaranteed socially and what services are discretionary and will not be guaranteed socially. *Such an approach accepts a two-tiered health system—some citizens will receive only basic services while others will receive both basic and some discretionary health services. Within the discretionary tier, some citizens will receive few discretionary services, other richer citizens will receive almost all available services, creating a multiple-tiered system*" (emphasis added). [5]

In other words, the majority of the population would be relegated to a

basic minimum level of care, while those with the financial resources would be able to purchase the finest medical services and take advantage of the latest technologies.

According to Emanuel, the US health care system is plagued by a crisis of overutilization. In an article he co-authored in the June 18, 2008, issue of the *Journal of the American Medical Association* (JAMA), he writes that doctors and patients are utilizing “more costly specialists, tests, procedures, and prescriptions than are appropriate.” [6]

He criticizes doctors’ interpretation of the “Hippocratic Oath’s admonition to ‘use my power to help the sick to the best of my ability and judgment’ as an imperative to do everything for the patient regardless of cost or effect on others.” [7]

Emanuel argues that medical services must be restricted for the general population—unless, of course, the individual can pay extra for them. “For instance,” he writes, “men with early stage prostate cancer who choose radiation therapy might have no co-payment for 3-dimensional conformal radiation but might have to cover the marginal cost if they want more expensive intensity-modulated radiation therapy.” [8]

A costly treatment for metastatic colon cancer, “at best prolonging life an average of twenty to thirty weeks,” should not be allowed. He bemoans the fact that Medicare pays for two colon cancer drugs—Eribix (\$40,000 per patient), which can extend life for seven weeks, and Avastin (\$50,000 per patient), capable of prolonging life for two to five months. [9] He does not question the astronomical prices the pharmaceutical companies charge for these drugs.

Emanuel supports scrapping the traditional “fee-for-service” payment system, in which health care providers are reimbursed for each patient visit and procedure, and replacing it with a system where doctors and hospitals are compensated for services performed over a period of time. Obama has spoken in favor of phasing out fee-for-service, which would inevitably lead to rationing of care, imposing dollar limits on health care for working people.

In his 2008 book, *Healthcare, Guaranteed: A Simple, Secure Solution for America*, Emanuel elaborates in more detail the health care system he would like to see implemented—the Guaranteed Healthcare Access Plan.

Under this plan, every citizen would receive a “health care certificate.” This health care coverage would be portable and permanent, would not be dependent upon employment status or pre-existing conditions and would provide an unspecified range of basic benefits.

The plan would be financed through a dedicated 10 percent Value Added Tax, or VAT, on purchases and services. Emanuel claims such a tax is egalitarian. VAT is, in fact, a highly regressive form of taxation, disproportionately effecting lower-income people. Health care expenditures would be capped according to the amount of revenue raised by the VAT, unless Congress authorized an increase in the VAT rate.

Emanuel also calls for an outright end to employer-based health care provision, which would eliminate any responsibility for businesses to provide medical insurance for their employees. Among unionized workers, health care coverage was won in the course of decades of bitter struggle. Emanuel proposes to scrap these benefits and replace them with his universal plan, providing “standard benefits” across the board.

It is no accident that Emanuel has won the praise of Steve Miller, former CEO of Delphi Corporation, who has helped lead the attack on wages and benefits of auto workers. Miller is quoted on the front page of Emanuel’s book, saying, “I wish I had a magic wand to make Emanuel’s plan happen.” Indeed, big business, in general, would be delighted with a mandate to dump insurance coverage for employees. (The other individual praising the book on the front cover is Andy Stern, president of the Service Employees International Union, underscoring the collusion of these organizations in the attack on the working class).

Obama’s proposals go a long way toward dismantling employer-

provided health care. Under the Senate Finance Committee plan that Obama suggested he would support in his speech to Congress last week, and which is generally considered to be the model for an eventual health care “reform” bill, employers who fail to provide medical insurance, or who eliminate existing coverage, will only be required to pay a nominal penalty (a fraction of the cost of premiums). It will be in companies’ financial interest to pay the fee and drop coverage, giving the lie to Obama’s claims that “if you like your insurance, you can keep it.”

Under Emanuel’s plan, while everyone will have the same “standard” plan, the wealthy would be able to purchase additional care. He justifies this with the following: “We are used to being able to spend our money on what we want. If we want a fancier car, a smaller, faster computer with more memory, or a luxury vacation, we can pay the extra cost for such things and skimp somewhere else if necessary. The key is that it is our decision.” [10]

He calls this the “choice” aspect of his plan. Needless to say, such freedom to choose is not available to the vast majority of working class families, the unemployed and the poor. In fact, under Obama’s plan, a significant portion of the population will likely *choose* to pay the penalty for being uninsured—at an estimated average of upwards of \$1,000—rather than pay the premiums charged by the private insurance companies, because they cannot afford them.

One of the most insidious features of Emanuel’s plan is the proposal to scrap Medicare, Medicaid and the State Children’s Health Insurance Program (SCHIP). He writes: “Current enrollees will have the option of joining the Guaranteed Healthcare Access Plan. Over a period of about fifteen years, these programs will be phased out.” [11] His vision of universal health care therefore eliminates the only government administered health care programs.

Overseeing health care expenditures would be the Institute for Technology and Outcomes Assessment. It would review “research studies and data on the effectiveness and cost of various drugs, devices, diagnostic tests, and new technologies—thus insuring that we spend money only on those healthcare tests and treatments that truly improve the quality and length of life.” [12] This body would decide what treatments would be available to patients on the standard plan and what services are “unnecessary.”

Emanuel claims that the adoption of an insurance exchange where private insurers offer coverage for purchase—another proposal adopted by Obama—“sets the stage for free enterprise to deliver on its promise that competition will drive quality up while driving prices down.” [13] While private insurers would be required to accept anyone who purchases coverage, there would be no statutory limits on the prices charged for these premiums. Emanuel opposes offering the fig leaf of a “public option” as part of the exchange.

Emanuel asks at one point, “Can we chalk up most of our problems to the greedy pharmaceutical industry and blood-sucking insurance companies?” [14] His answer is a resounding “no.” His program is built around maintaining the health care giants and boosting their profits, while dismembering Medicare and Medicaid.

The hostility to Medicare that has existed within sections of the American political establishment since its enactment—a concession extracted through mass struggles of the working class—is bound up with opposition to any program expressing, even in a limited way, egalitarian forms of social organization.

The American ruling class cannot tolerate—under today’s prevailing conditions of economic decline—the principle that all elderly people, regardless of economic status, should be entitled to health care roughly equivalent to that of the rich. Rather, they now demand that health care—like education and other aspects of social life—be placed more directly on a class basis to bring it more in accordance with the vast growth of social inequality and the de facto dictatorship of the financial

aristocracy.

While not adopting Emanuel's Guaranteed Healthcare Access Plan in its entirety, Obama has incorporated its fundamental principles in his proposals. These policies are part of a restructuring of American capitalism and class relations in the US that is taking place under the pretext of addressing the economic crisis—in the case of health care, the necessity to craft “deficit neutral” legislation. Their implementation poses a sharp and permanent lowering of the living standards of the working class.

Notes:

1. Ezekiel J. Emanuel, 2008, *Healthcare, Guaranteed: A Simple, Secure Solution for America*, New York: PublicAffairs.

2. *Hastings Center Report*, November-December 1996, “Where Civil Republicanism and Deliberative Democracy Meet,” by Ezekiel J. Emanuel, p. 13-14.

3. The *Lancet*, vol. 373, 31 January 2009, “Principles for allocation of scarce medical interventions,” by Govind Persad, Alan Wertheimer, Ezekiel J. Emanuel, p. 429.

4. *Ibid.*, p. 428.

5. “Where Civil Republicanism and Deliberative Democracy Meet,” p. 12.

6. *Journal of the American Medical Association*, 18 June 2008, vol. 299, no. 23, “The Perfect Storm of Overutilization,” by Ezekiel J. Emanuel and Victor R. Fuchs, p. 2789.

7. *Ibid.*, p. 2790.

8. *Ibid.*, p. 2791.

9. *Healthcare, Guaranteed*, pp. 31, 56.

10. *Ibid.*, p. 31.

11. *Ibid.*, p. 83.

12. *Ibid.*, p. 11.

13. *Ibid.*, p. 105.

14. *Ibid.* p. 34.



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