

Health Reform and Social Justice

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P Ellen Parsons Session

APHA 233385 Tuesday November 9, 2010 2:30 - 4

Presenter Disclosures

Ellen R. Shaffer

The following personal financial relationships with commercial interests relevant to this presentation existed during the past 12 months:

“No relationships to disclose”

Health Reform: Pretty Good

- ACA delivered what Obama campaign promised
- Significant though limited reforms
- Takes important steps to expand coverage and improve quality, and begins to control costs
- Claim the victory of half a loaf and use policy space to proceed deliberately to win the rest.
- Will Administration advance, retreat, hold the line?

Why is This Controversial?

- Right wing opponents can not muster clout to repeal the law
- But will focus on undermining it
 - “Statist” government takeover
- Public divided
 - Some uncertain
 - Some negate gains: Corporate takeover
 - Some support, experiencing benefits
- Unfinished issues continue to be controversial:
 - Social divisions – abortion, immigrants
 - Role of government – public option

Social Justice: Road Ahead

- Jobs
- Income inequality
- Peace
- LGBTQ rights – Don't Ask Don't Tell

Outline

- What the Affordable Care Act does
- Conflicting critiques
- Political and economic context
- Wins, losses for ongoing mobilization

Crisis: Access, Cost, Quality

- 50 million uninsured
- Deaths
- Bankruptcy – even with insurance
- \$2.5 Trillion a year = \$8,000/person
 - Most expensive in the world
- 37th in outcomes
 - Shortage of primary care
 - Fragmented

Patient Protection and Affordable Care Act (ACA): The Gains

- Expanded Coverage and Access

- Improving Quality

- Consumer Protections

ALL = Lower Costs

- How Will We Benefit?

ACA: Steps Towards Single Payer

- Expands coverage
- Required financing by government, individuals and employers will create incentives for greater cost controls
- New quality measures and delivery system reforms will guide cost control while protecting benefits

ACA Benefits Phased In 2010-2020

- Public health grant programs
- 2010-2013
 - Consumer protections
 - Affordability and quality improvements
- **2014: Major coverage expansions**
 - Health Insurance Exchanges
 - For individuals, small business employees
 - Individual Mandate, Employer contributions
 - Medicaid Expanded
 - Everyone up to 133% of poverty level
- 2020: Medicare drug price “doughnut hole” gone



Coverage: Now

- New High Risk Pool: Pre-Existing Condition Insurance Plans (for uninsured with pre-existing conditions)
- Covers Young Adults through Age 26 on parents' coverage

Affordability: Now

- Rebates begin to close the Medicare Part D Donut Hole:
\$250 this year
- Small business tax credits of up to 35%
- States and feds can reject “unreasonable” premiums
- Reduces cost of early retiree coverage



Affordability: “Medical Loss Ratio”

- 80-85% of premium must be spent on health care (vs. admin., profit)
- Rebates
- Current policy debate:
“Wellness programs” run by insurance co.s =
Medical care?
or
Marketing?



Quality: Now

- Free preventive care
 - Decision point: Will HRSA cover contraception thru prevention?
 - * Exception for “Grandfathered plans”
- Increased funding for Community Clinics
- More money for primary care and public health



Consumer Protections: Now

- Discrimination against children with pre-existing conditions prohibited
- Rescissions Illegal (withdrawal of care)
- Bans lifetime limits on \$ amount of coverage
 - Annual limits phased out

2014: Major coverage expansions

■ Medicaid Expanded

- Everyone up to 133% of poverty level
- \$14,404 for individuals
- \$29,326 for a family of four

■ Health Insurance Exchanges

- For individuals, small business employees
- Individual Mandate, Employer contributions
- Premium subsidies up to 400% of poverty level (\$88,000 for 4)
- Limits in premiums, out of pocket spending

■ Undocumented immigrants generally not covered

State Insurance Exchanges, 2014: Who

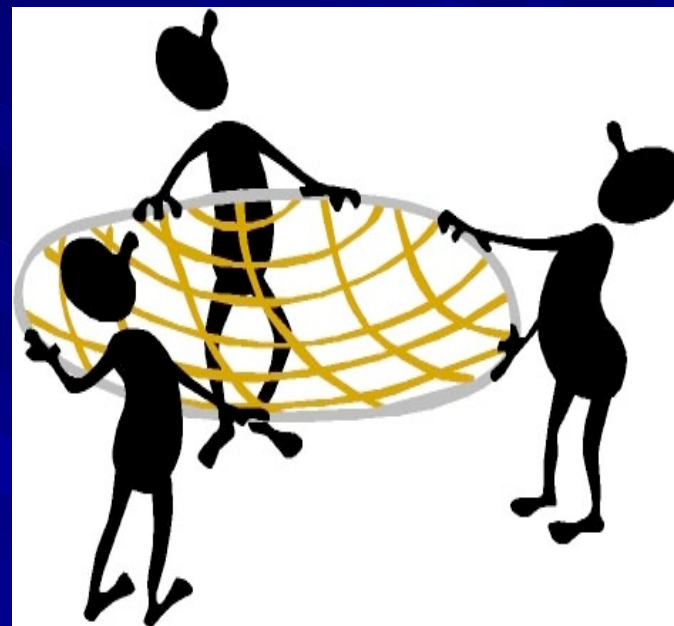
Uninsured individuals, self-employed and small businesses can buy coverage

NOT FOR MEDICARE!!

Safety net for insured who lose a job

Applies to Members of Congress

No Public Option





Premiums on the Exchange

Premium contributions limited based on income as a percent of Federal Poverty Level (FPL):

- 150% FPL (\$16,245/yr): \$ 68/month
- 200% FPL (\$21,660/yr): \$113
- 250% FPL (\$27,075/yr): \$191
- 300% FPL (\$32,490/yr): \$ 257

Hardship exemption: Available if lowest cost plan exceeds 8% of an individual's income

Comparison: Single payer bills: c. 10% payroll tax

Insurance Reform: Limits on Insurance Premiums

Cannot charge more if:

You are sick

You are female (Gender-rating)

Age-rating limited, 3:1

No more annual or lifetime limits

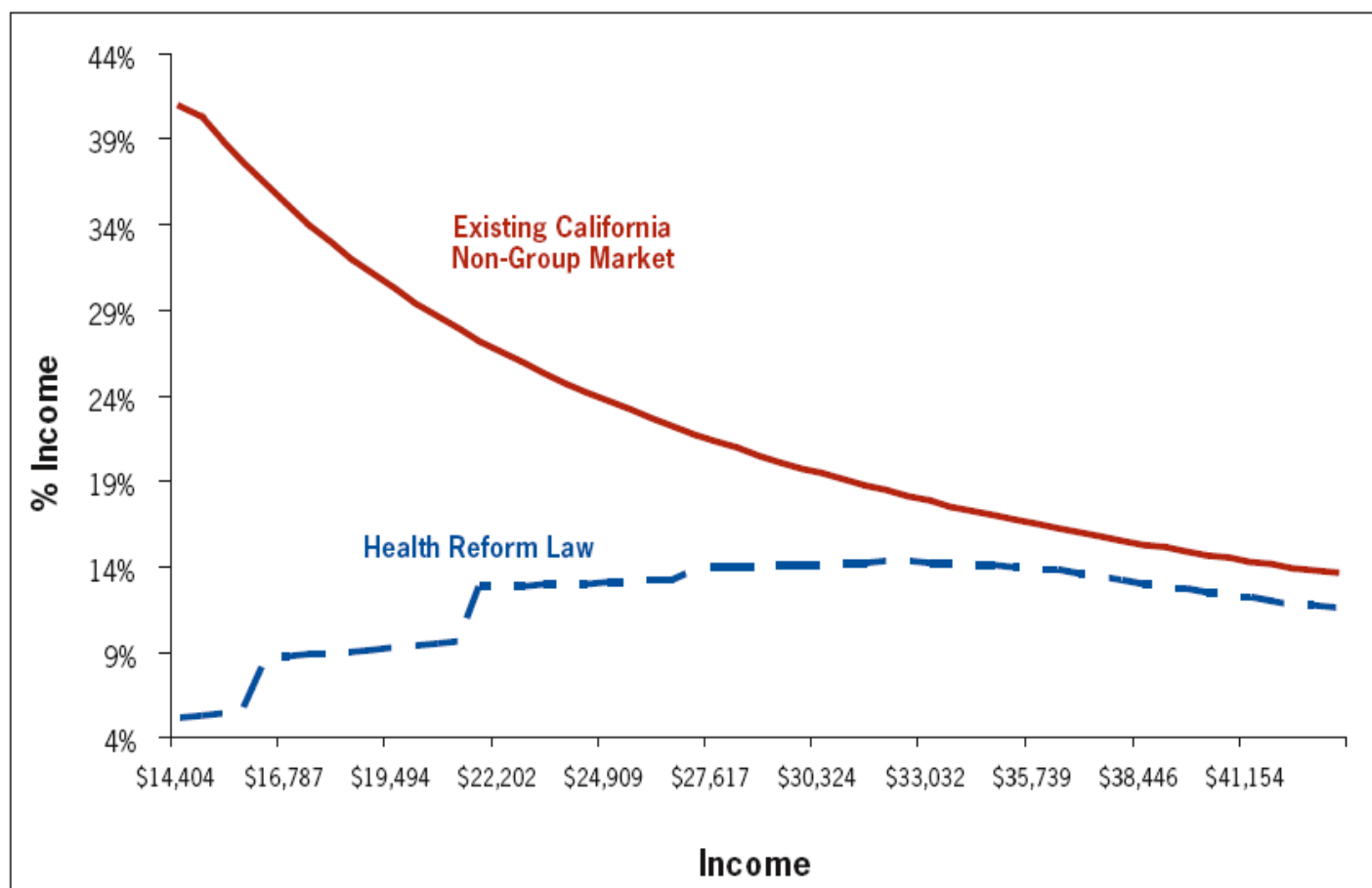
Administrative costs limited

No underwriting

Easier to compare plans



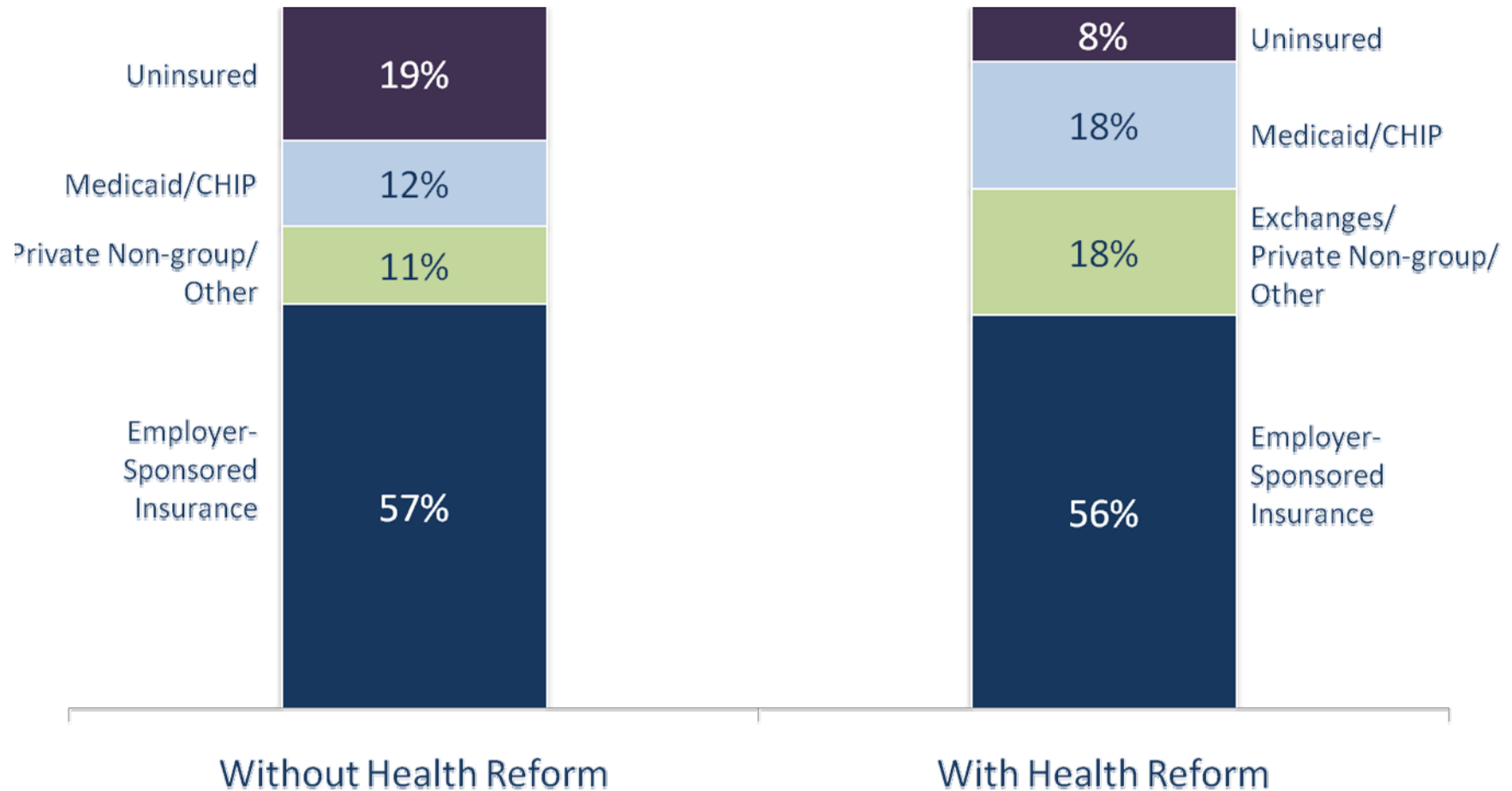
Costs of coverage for subsidy eligible individuals in exchange compared to existing non-group market



Source: Authors' calculations from MarketScan 2006 Commercial Claims database from Thomson Reuters, California HealthCare Foundation Employer Health Benefits Survey 2006, California Market Tracking Survey 2006, and eHealthInsurance.com; CBO analysis of premiums under Senate HR 3590

Estimated Health Insurance Coverage in 2019

Total Nonelderly Population = 282 Million



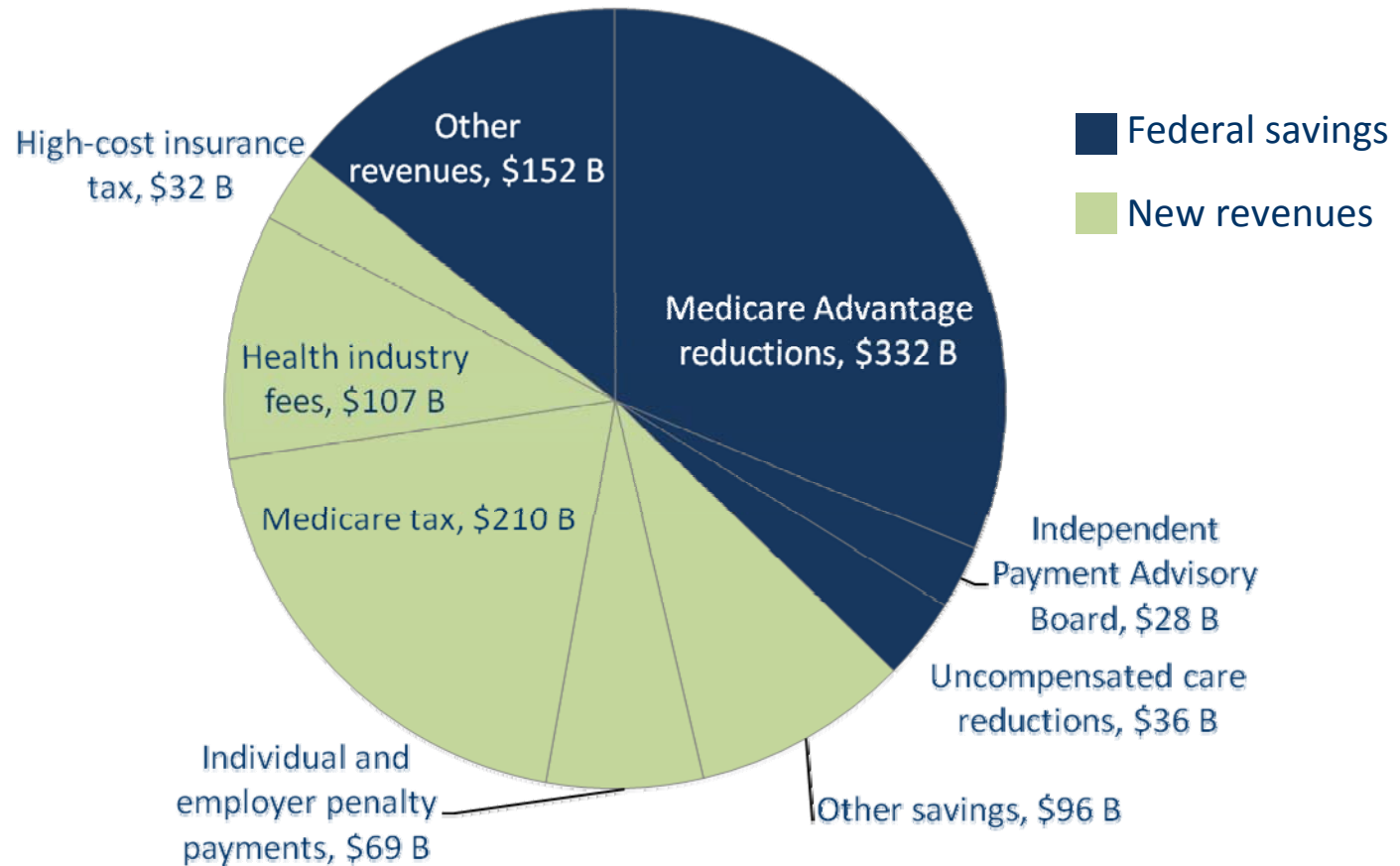
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SOURCE: Congressional Budget Office, March 20, 2010



Financing Health Reform, 2010-2019

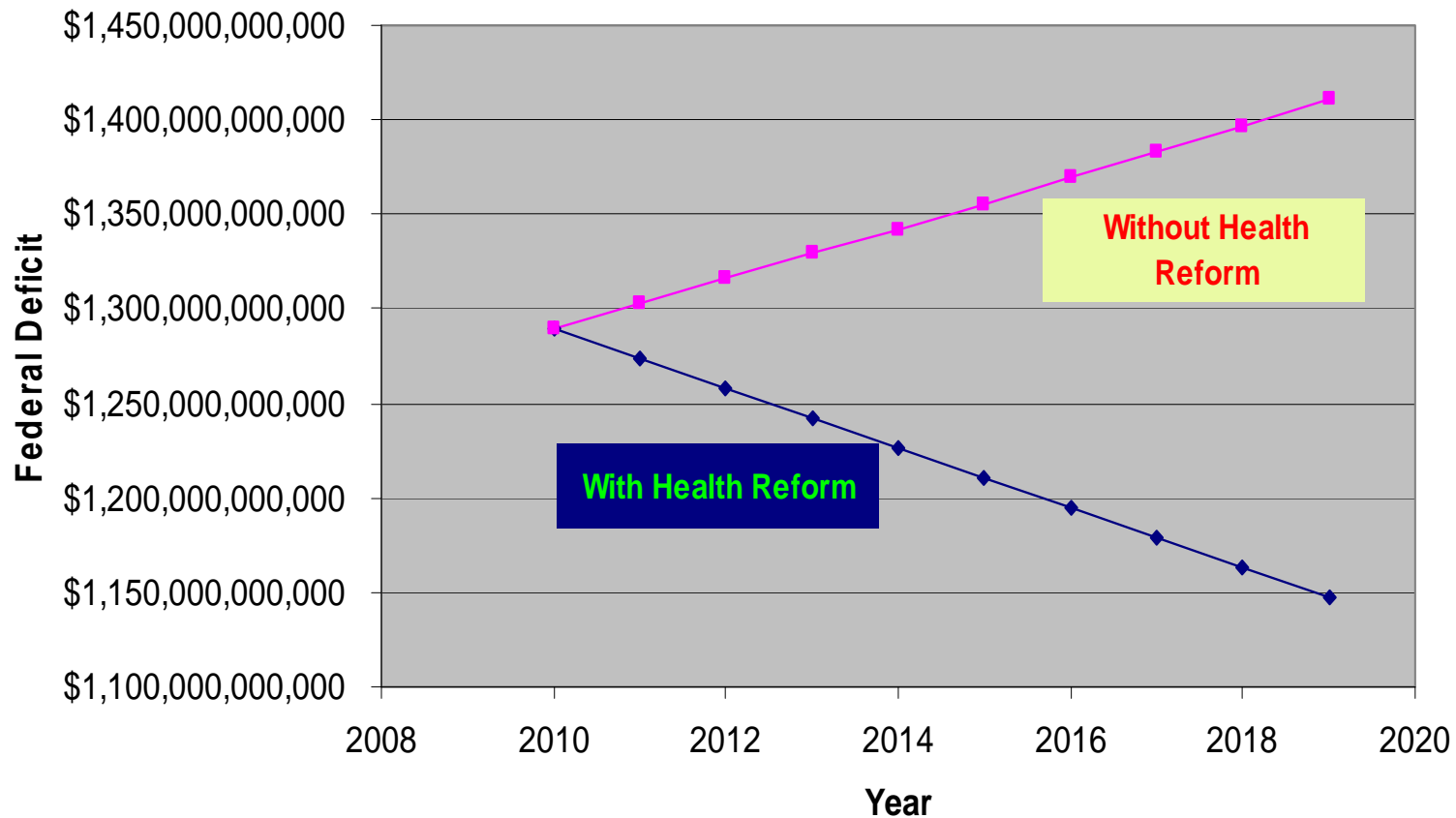


Total Cost = \$938 Billion
Savings to Federal Deficit = \$124 Billion
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Source: Congressional Budget Office, 2010

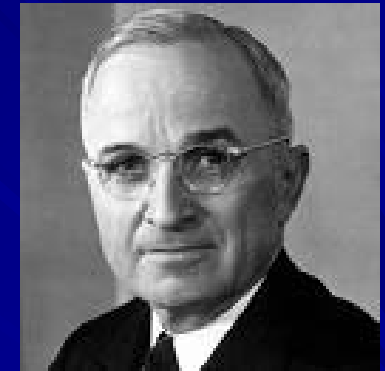
National Deficit With and Without Health Reform



Significant Limits

- Reproductive Health – Retreat from current law
 - Contraception (Preventive?)
 - Abortion care (Hi-risk pools, Exchanges)
- Immigrants' inclusion: Undocumented cannot purchase thru Exchange
- Affordability
- State options for innovative approaches
 - Single payer

Always a Tough Road



Structural Adjustment for the U.S. 1980 - present

- Deregulation
- Privatization
- Constraints on public interest organizations (civil society)

Effect: Income Inequality Explodes 1979-2005

- 1947 and 1973: income growth was distributed roughly equally: income growth at least as fast for the poorest 20% of families as the richest 20%
- 1979-2005: Bottom fifth of households: average, inflation-adjusted income growth of just \$200 over the entire 26-year period.
- By contrast, a small number of households at the top 0.1% of the income scale saw average income growth of almost \$6 million over the same time.

■ Economic Policy Institute

Health Care Policy: Corporations

- Maintain control of health care benefits=workplace discipline
- Oppose government role, favor private insurance industry
- Public relations
 - Liberty
 - Freedom of choice

Health Care Industry: \$2.5 T

■ Insurance co.s

- Lack clout to negotiate rates with concentrated providers (hospital chains)
- Individual market: adverse selection
- Price gouging

■ Providers: Hospitals, docs, drugs, medical supply

- [some] Government payments, yes
- Negotiated prices, no

Corporate media



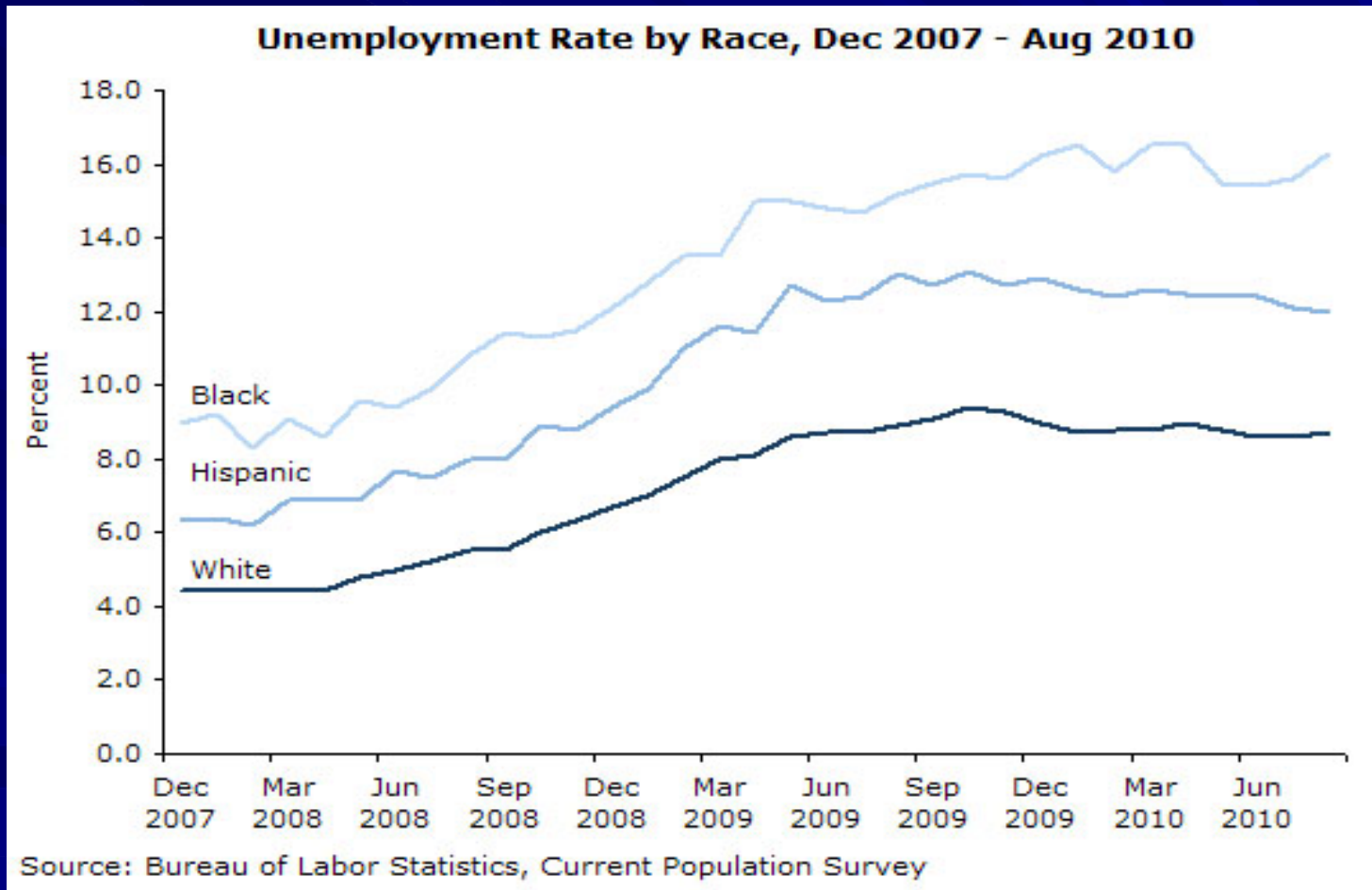
Who Owns Your TV?

- General Electric: NBC, A&E, History Channel
- Walt Disney: ABC, ESPN
- News Corp: Fox
- CBS: CBS
 - Sold Salt Lake City network to 4 Points Media, subsidiary of Cerberus, which owned Chrysler
- Viacom: Comedy Central
- Time Warner: CNN, HBO, TCM

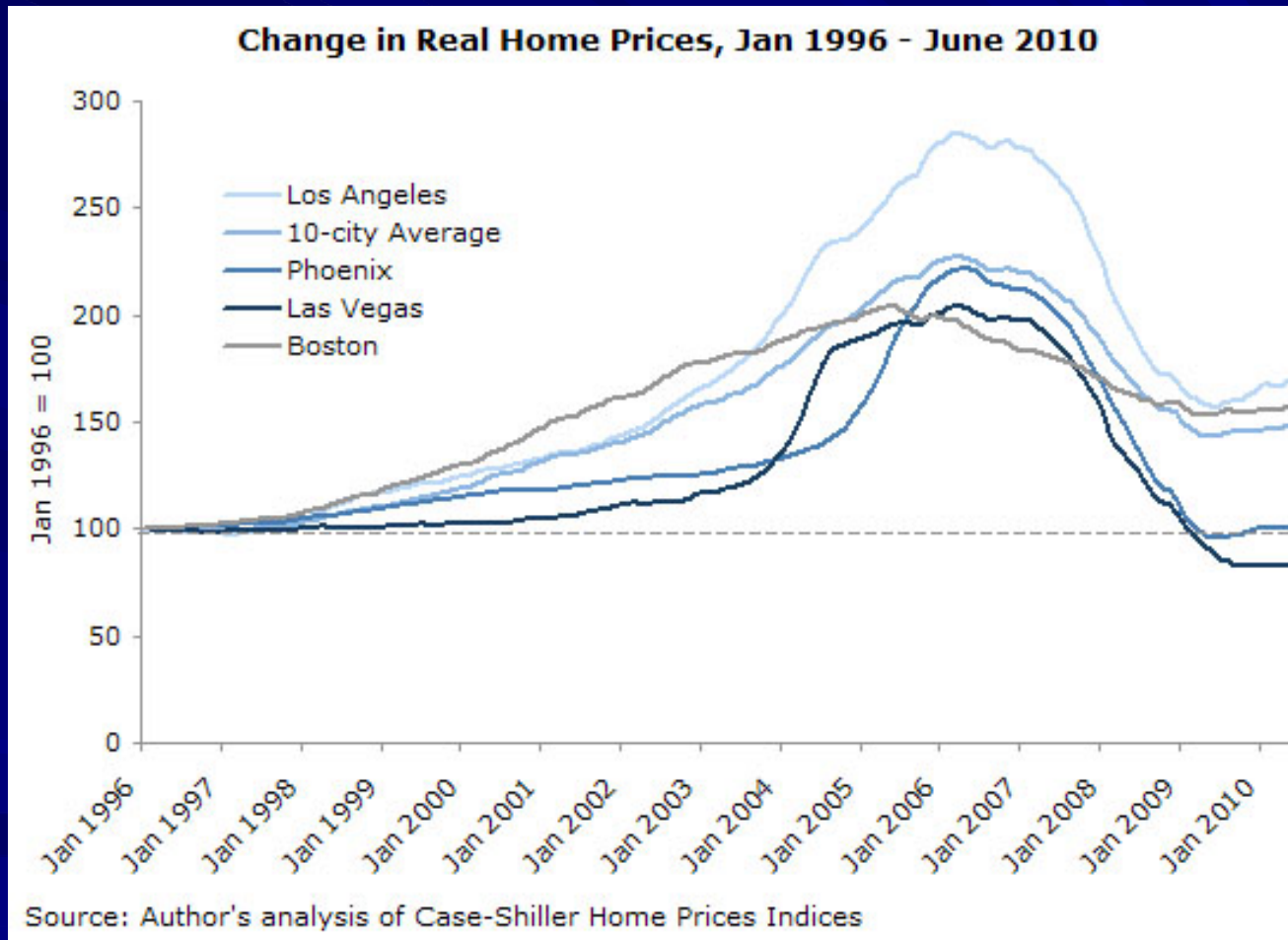
Health Care Considered #1 Drag on Economy- Until Fall, 2008

- Speculative bubbles burst
 - Houses/real estate
 - Finance
- Trade imbalance
- Wars
- Tax breaks for wealthy
 - Redistribution of income
 - Reverse Robin Hood

Unemployment by Race, Dec. 2007- Aug. 2010



Home Prices Jan. 96 – June 2010



Calling the Question on Competing Policy Agendas for Economic growth/recovery

- Government to funnel contracts, minimize taxes, regulation, social spending
 - Liberty, choice
- Create wealth through productivity
 - Government supports baseline survival, can advance social justice and wellbeing
 - Guarantees rule of law – financial regulation
Empower organizations of civil society - unions
 - Invest in productivity: Health care reform, Education, Energy, Environment

Election 2010

- Republican agenda:
 - Fight about health care as lead up to 2012 election
 - Focus on abortion
- Moderate Democrats and Republicans:
 - Deficit Commission: Slash Medicare, Social Security
 - Free trade/expand exports
- Dems beat big money in CA
- VT governor stumping for single payer

Stay Mobilized!!!

- Corporate domination of campaign spending was successful in many races – but not all
- Analyze what's working and do more of it
- Traditional advocacy groups limited – unions, women, seniors, etc.
- Take the initiative to create vehicles for advocacy

The ACA: Educate, Defend, Implement

■ Regulations.Gov

- Comment on Medical Loss Ratio, repro rights

■ State activities

- Implement exchanges
- Incorporate larger businesses sooner
- Create public insurance

Reproductive Rights

- Contraception is a preventive health care service
- Abortion has been stigmatized and marginalized
 - 30% of women have had an abortion
 - “Safe rare and legal” not sufficient
- Overturn Hyde amendment limiting federal funding

Immigrants

- Of the 12.3 million immigrants without health insurance, more than half (6.3 million) are working, and about 900,000 are children.
- Other countries treat US nationals abroad: Demand reciprocity.

State and National Single Payer Campaigns

- Reclaim the important role of effective, accountable government in creating affordable health care, economic prosperity and a socially just society
- Defend Medicare and Social Security from the Deficit Commission

Link Health Care Advocacy With Agenda for Economic and Social Justice

- Demand policies that create a healthy economy
- Public investment to re-stimulate productivity and demand:
 - Jobs to lower-income people create demand
 - Health care, education, energy, environment
- Fair financing
 - Tax breaks to wealthy individuals do not create jobs
- Government role to support baseline survival, advance social justice and wellbeing
 - Guarantee rule of law – financial regulation
 - Empower organizations of civil society – unions, public health seats on trade advisory committees

It's Not What We Settle For ~ It's What We Build

■ **Join the EQUAL Listserv**

– Send a blank message to

join-equal@list.equalhealth.info

www.equalhealth.info

Thanks for contributions to this presentation to: Keely Monroe, Lisa Kernan Social Justice Fellow; EQUAL partners including Deborah LeVeen, Elinor Blake, Karl Keener, Joel Adelson, Lee Lawrence, Robert Mason; and many organizations

**Thank You
For Making History!**

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