

WILL WE EVER HAVE A NATIONAL HEALTH PROGRAM IN THE U.S.?

by

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**Keynote address in the Conference *New Directions in American Health Care:
Innovations from Home and Abroad*. March 11—12, 2010. Hofstra University**

- **HOW POWER IS DISTRIBUTED**
- **HOW CLASS POWER APPEARS IN THE HEALTH SECTOR**
- **CHARACTERISTICS OF THE HEALTH SECTOR:**
 - UNCOVERED
 - UNDERCOVERED
 - INEFFICIENT
 - PROFIT ORIENTED
 - VERY UNFAIR
 - VERY EXPENSIVE
 - VERY UN-POPULAR: PEOPLE WANTS CHANGE
- **WHY THEY DON'T GET A CHANGE**
 - THE POLITICS OF HEALTH POLICY
- **PRIVATIZATION OF HEALTH CARE**
- **PRIVATIZATION OF ELECTORAL PROCESS**

Occupational Distribution by Social Class and Gender (2000)

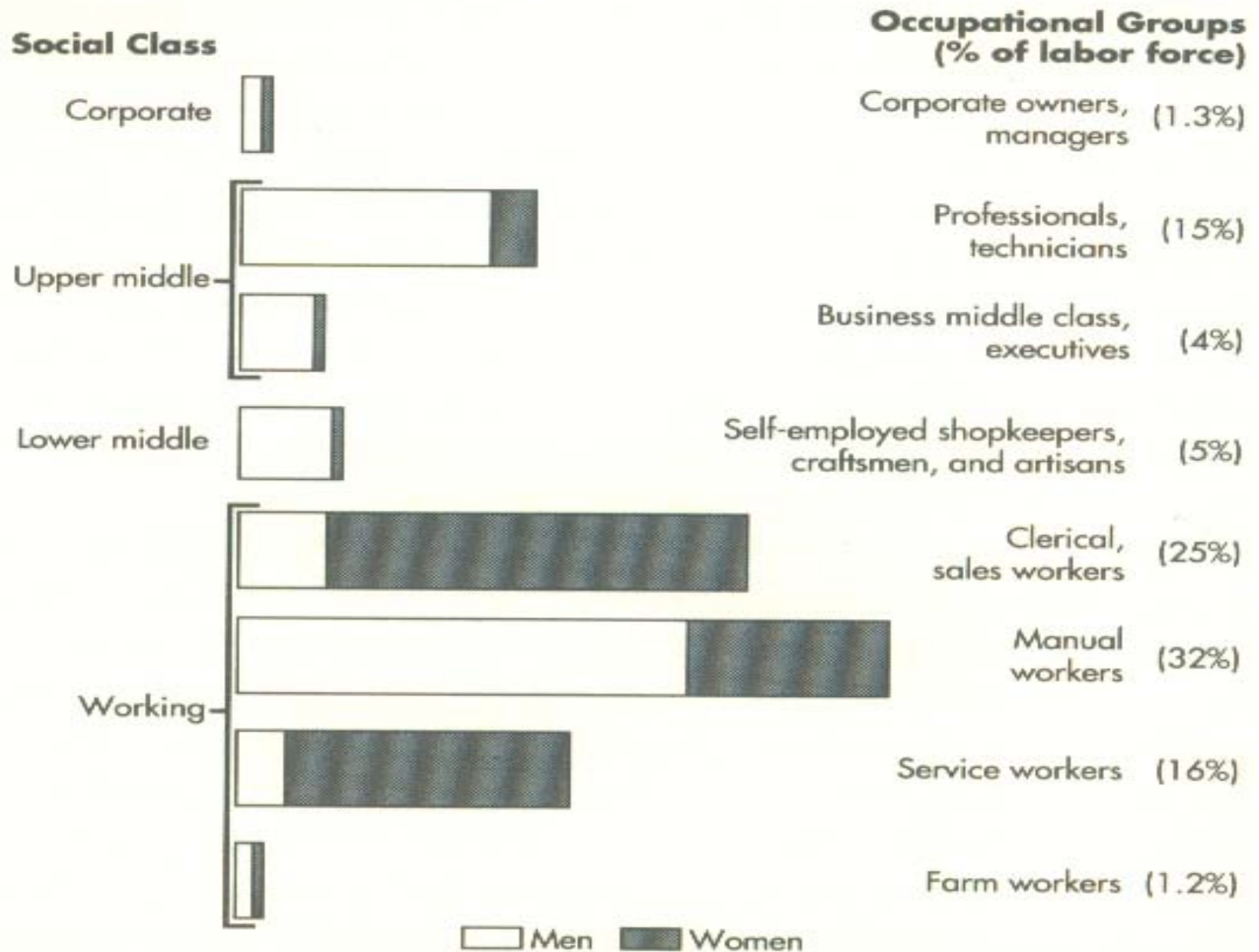
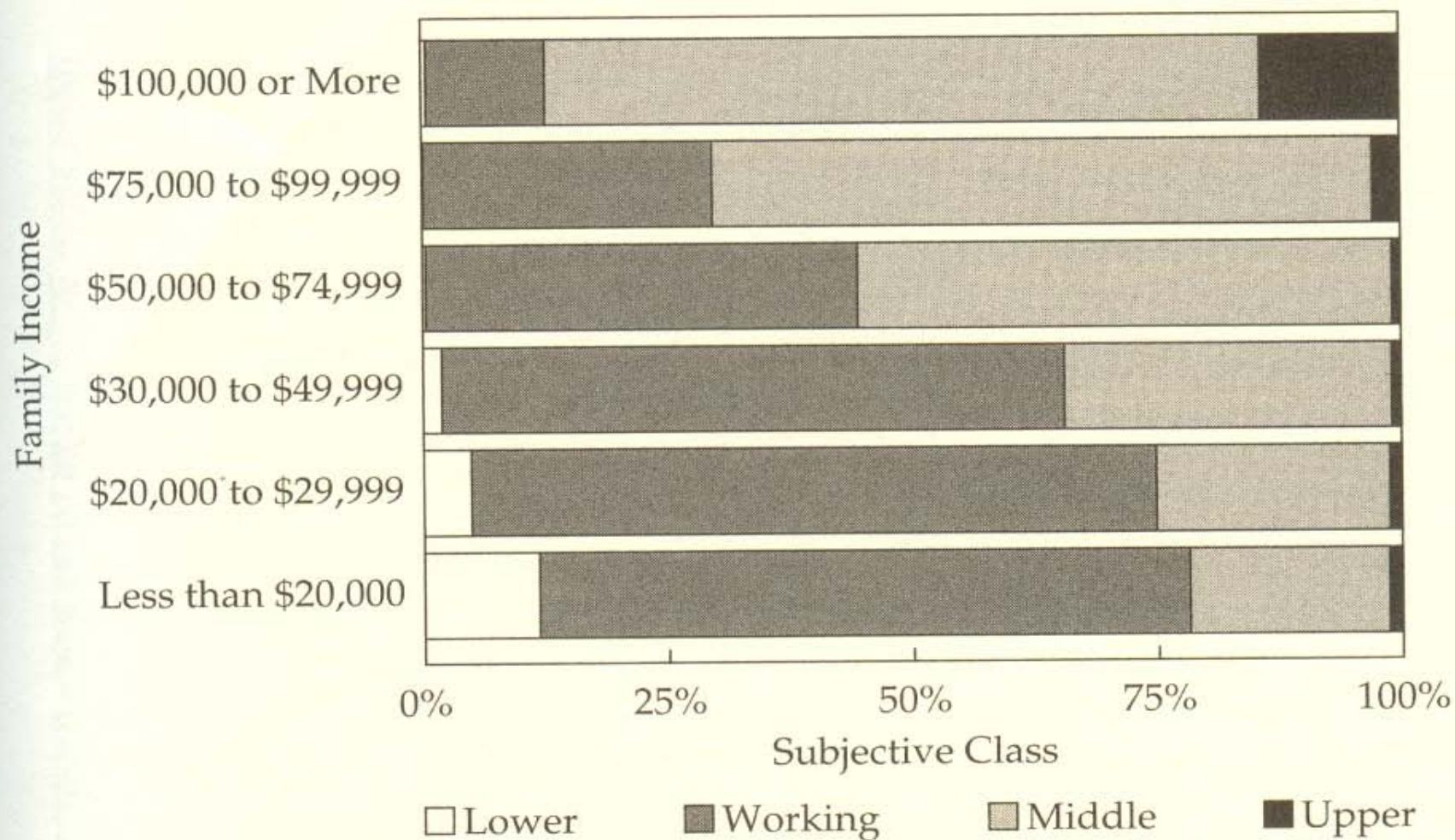


Figure 1.1 **Class Identification of Employed Persons Age Twenty-Five and Older, by Family Income**



Source: General Social Survey (GSS), 2000 to 2004.

Table 1.6 Selected Attitudes and Behaviors of Persons Age Twenty-Five and Older, by Subjective Social Class (1)

	Lower	Working	Middle	Upper	Middle-Working
Lifestyle					
Own home	39%	57%	72%	74%	15%
Talking back to parents led to disrespect (1990)	63	64	52	36	-12
Went hunting or fishing (1993)	36	41	30	33	-12
Went to auto race (1993)	10	22	10	10	-11
Went to classical music concert (1993)	5	11	23	39	11
Country music: like very much (1993)	30	29	19	19	-10
Classical music: like very much (1993)	9	14	22	46	8
Politics					
Voted in 2000	37	55	73	87	17
Voted for George W. Bush	34	50	56	57	6
Republican identification	14	23	33	42	10
Independent identification	46	42	34	29	-8
Democratic identification	40	35	33	29	-2
Supports legal abortion (six of six items)	27	29	40	42	11

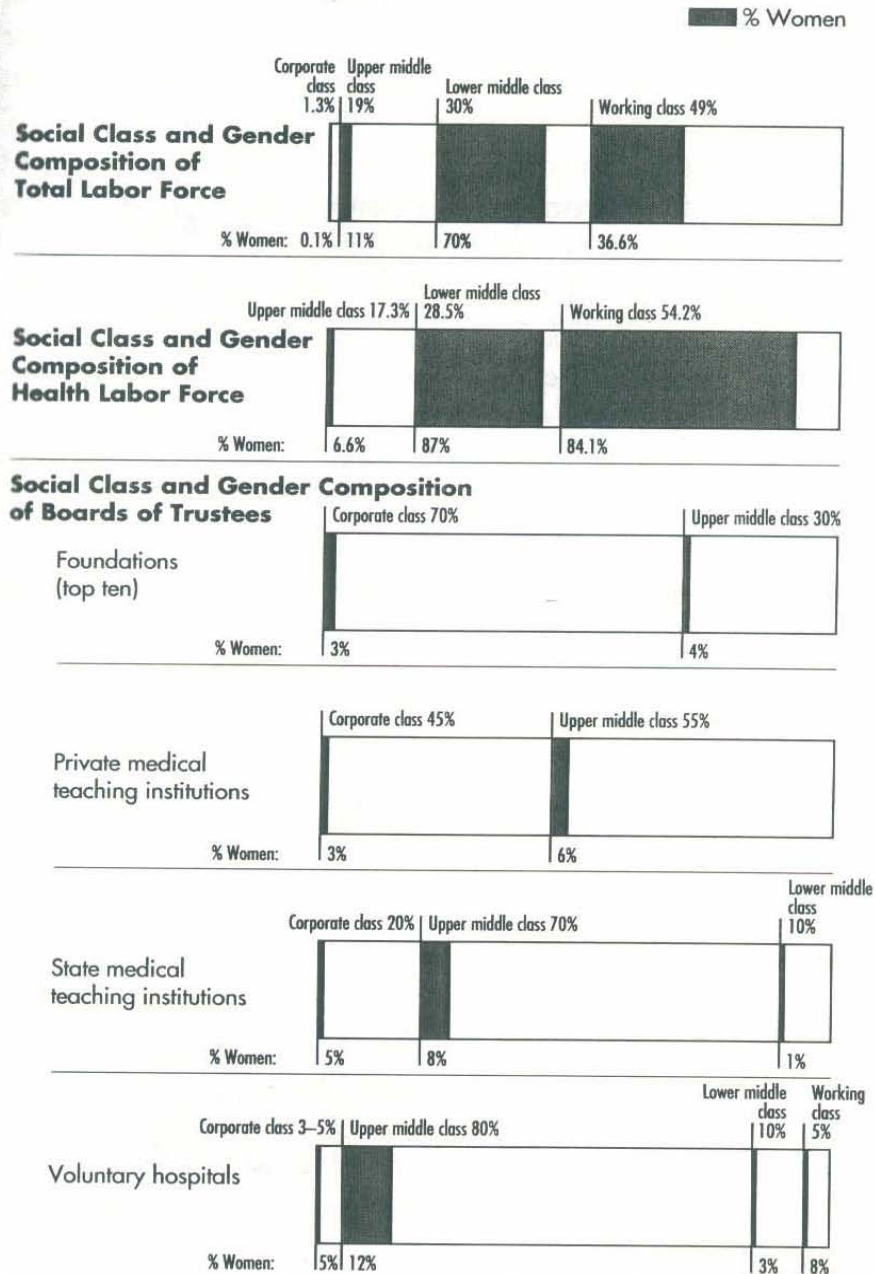
Table 1.6 Selected Attitudes and Behaviors of Persons Age Twenty-Five and Older, by Subjective Social Class (2)

	Lower	Working	Middle	Upper	Middle-Working
Spending (government in Washington spends too little on:)					
Social security	75	69	56	45	-13
Halting rising crime rate	64	64	54	51	-9
Child care	70	64	56	60	-8
Improving nation's health	80	78	73	71	-4
Mass transit	38	33	41	51	7
Redistribution					
Differences in income too large (1996, 2000)	74	72	63	47	-9
Government: no action on inequality	11	17	26	39	9
Government: should redistribute incomes	52	30	25	17	-5
Government: should reduce income gap (1990 to 1996)	53	34	26	17	-9
Taxes on the rich are too low (1996)	61	42	37	12	-5
Companies: profits to workers, then investors (1991)	90	88	74	59	-13
Okay if some get rich (1993)	54	55	61	72	6

Table 1.6 Selected Attitudes and Behaviors of Persons Age Twenty-Five and Older, by Subjective Social Class (3)

	Lower	Working	Middle	Upper	Middle-Working
Confidence in institutions					
Labor unions	13	15	12	15	-3
Banks	21	24	32	36	8
Major companies	14	19	28	45	10
Scientific community	30	38	49	54	11
Worldview					
World is good (2000, 2002)	16	30	36	45	6
People are helpful	35	42	53	55	12
People try to be fair	32	44	61	57	17
People can be trusted	14	30	43	38	13
Well being					
Very happy	16	28	37	42	9
Health excellent	11	25	37	48	12
Very satisfied with work	30	44	54	60	10
Satisfied with finances	9	19	43	58	24
Standard of living will improve	48	67	76	81	9

Social Class and Gender Composition of U.S. Labor Force, Health Labor Force, and Boards of Trustees in the Health Sector (2000)

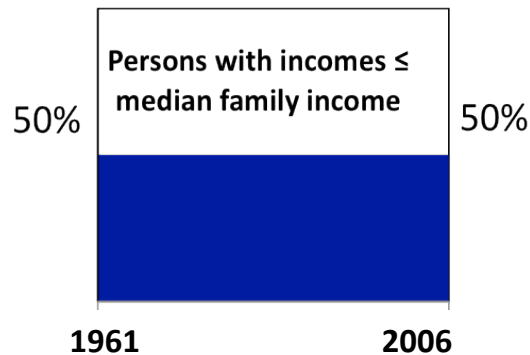
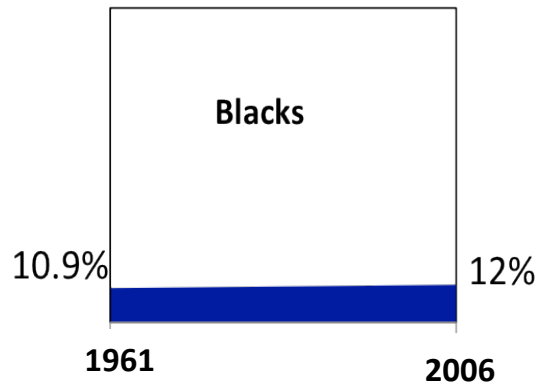
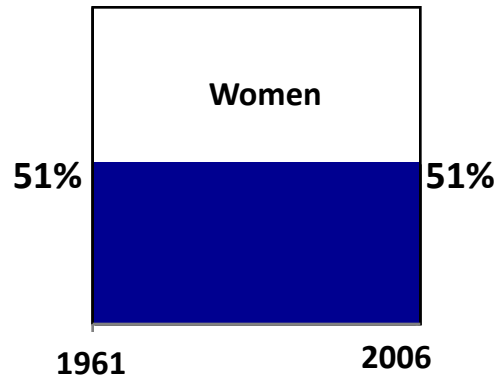


Several companies have many businessmen on the Hopkins Board of Trustees

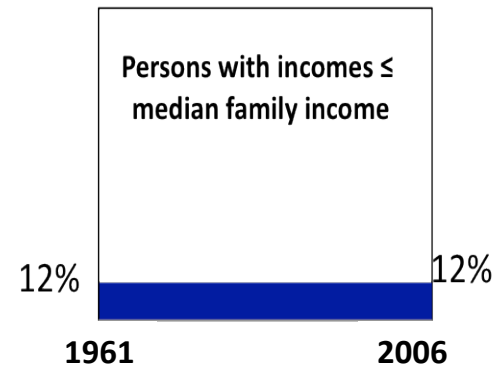
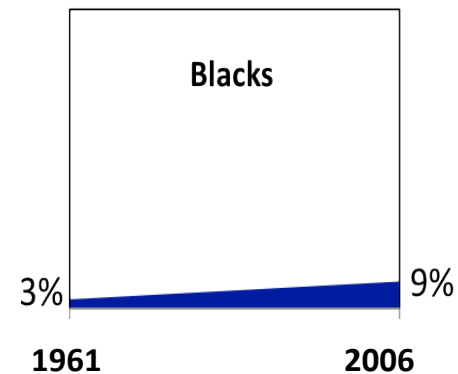
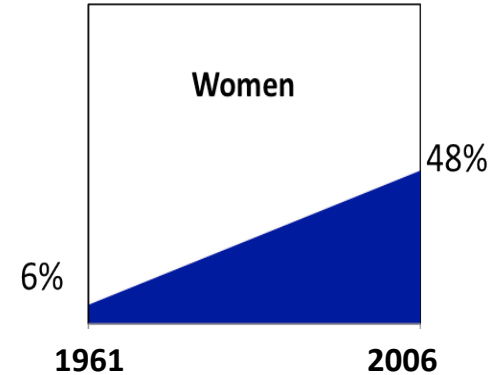
	Number of Trustees
Black & Decker Manufacturing	6
Maryland National Bank	5
Associated Jewish Charities	5
Walters Art Gallery	5
Mercantile Safe Deposit & Trust Co.	4
Greater Baltimore Commission	4
Ellicot Machine Corporation	3
Maryland National Corporation	3
Baltimore Life Insurance Co.	3
Equitable Trust Bank	3
Baltimore Gas & Electric	3
Monumental Corporation	3
A.S. Abell & Company	3

Changes in the Race, Class, and Gender composition of the U.S. Populations and of U.S. Medical Students (2006)

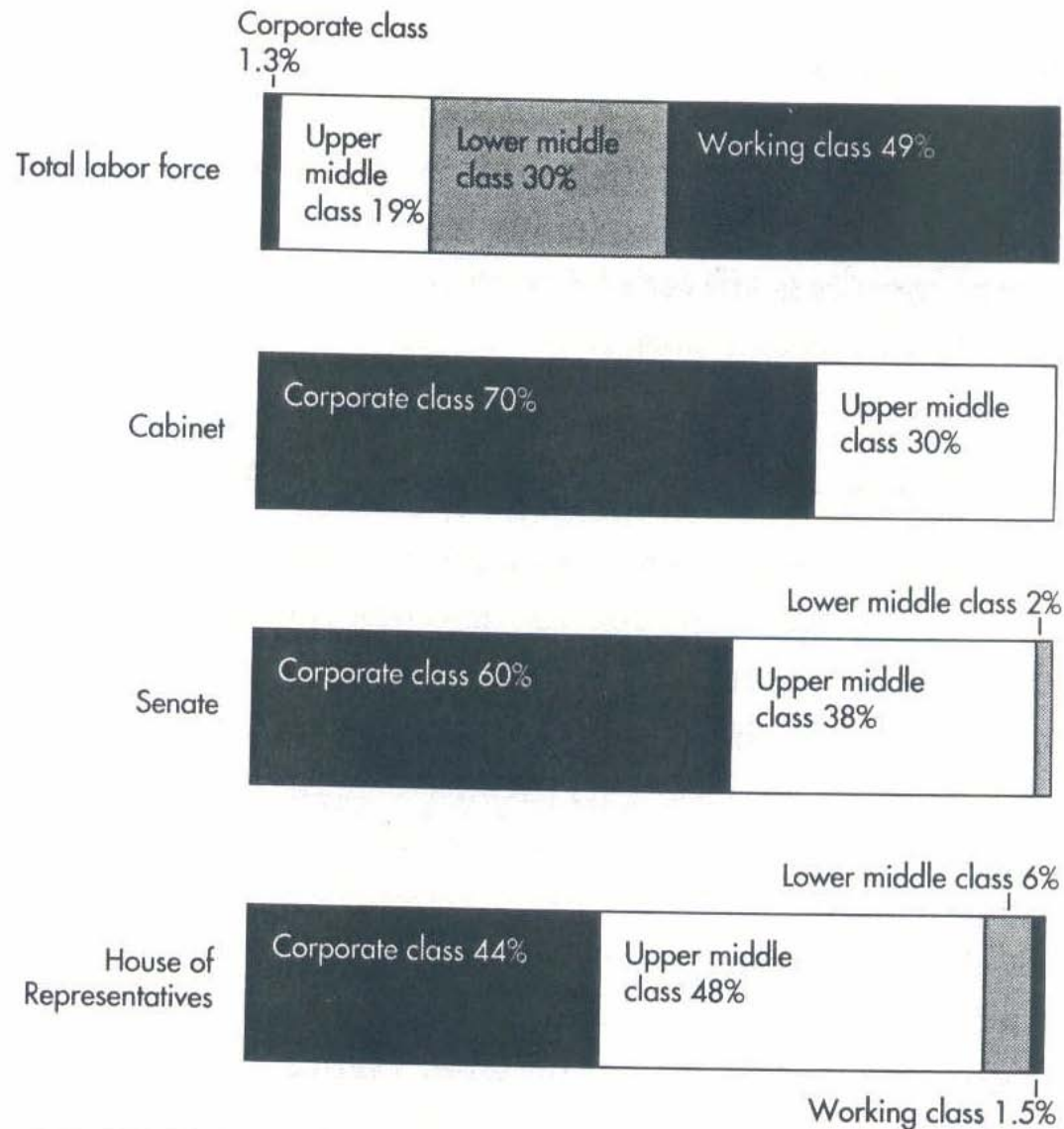
Percentage of U.S. Population



Percentage of Medical Students



Social Class Composition of the U.S. Labor Force and of the Executive and Legislative Branches of the Federal Government (2005)



Mortality Rate for Heart Disease (deaths per 10,000 population)



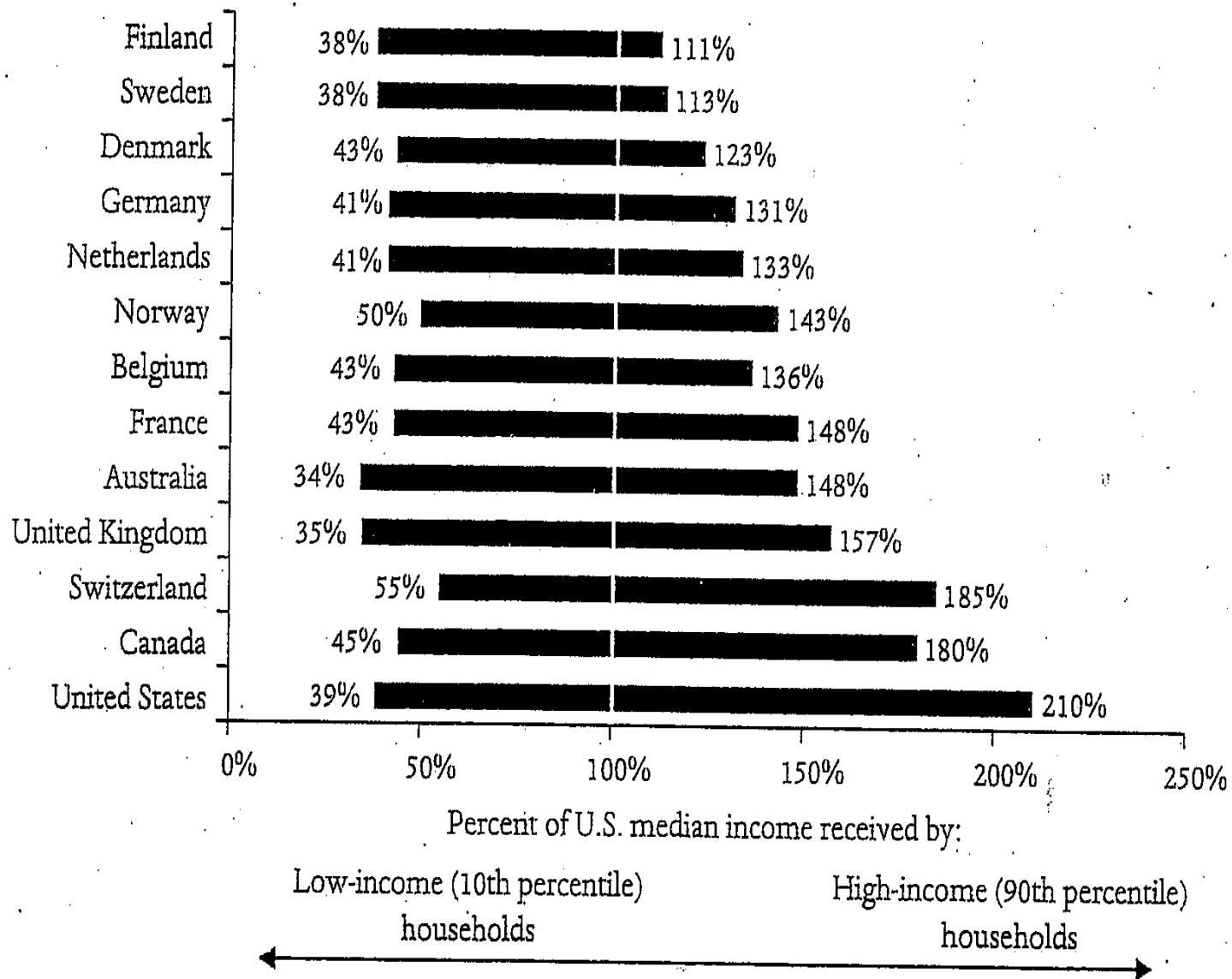


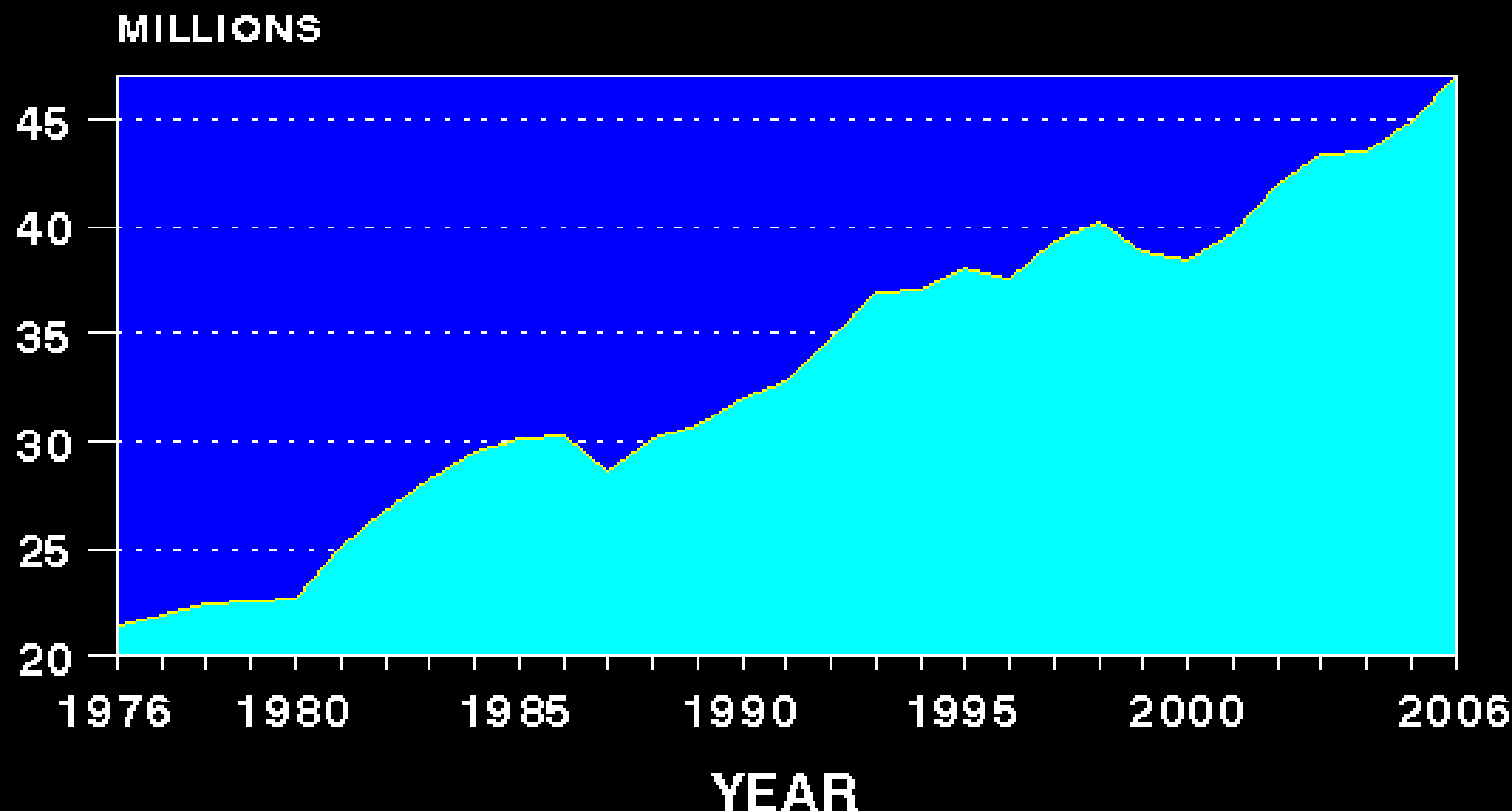
Figure 6.7: Share of US median income received by low- and high-income OECD households, 2000

Source: Figure 8D from: L. Mishel, J. Bernstein and S. Allegretto (2007)



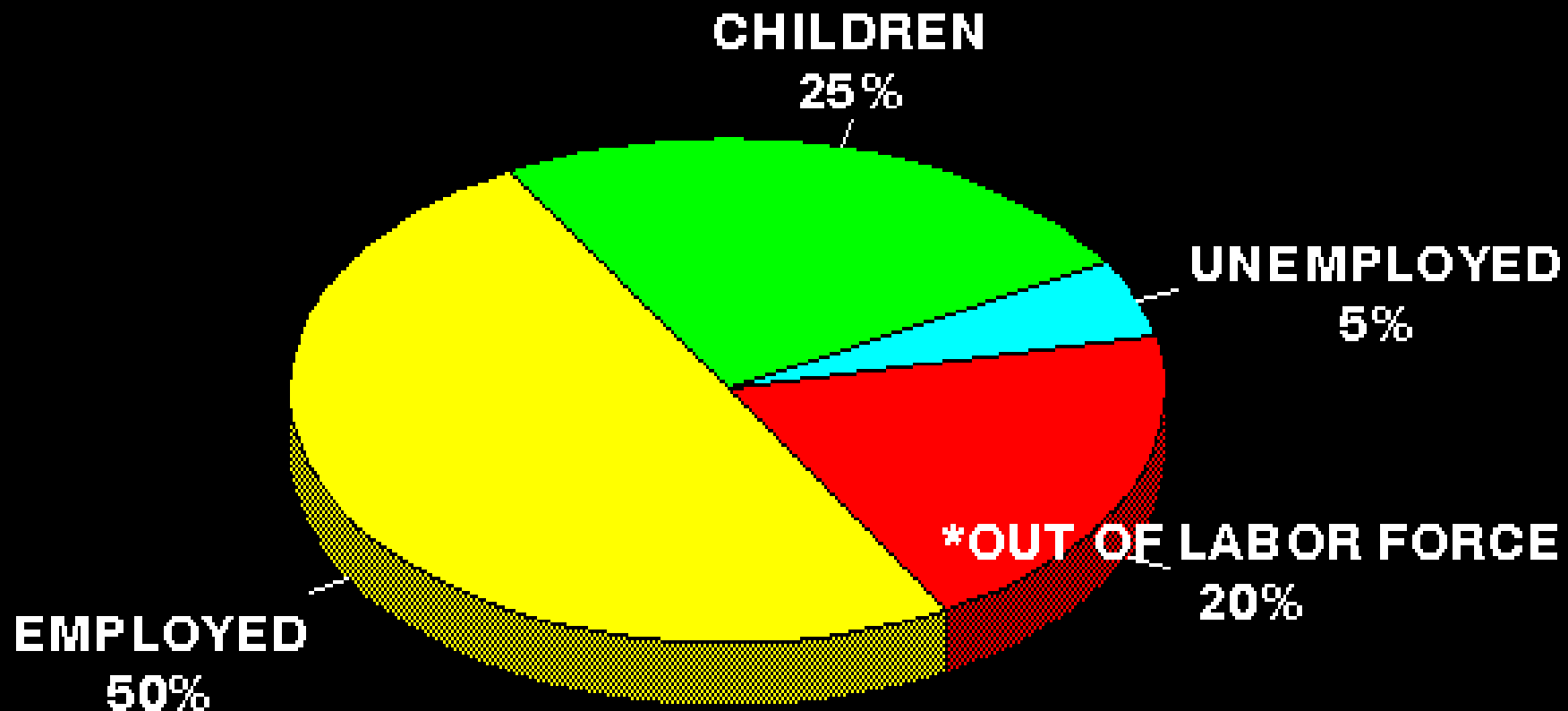
47 Million
Uninsured

Number of Uninsured Americans 1976-2006



Source: Himmelstein, Woolhandler & Carrasquillo - Tabulation from CPS & NHIS Data

Who Are The Uninsured?



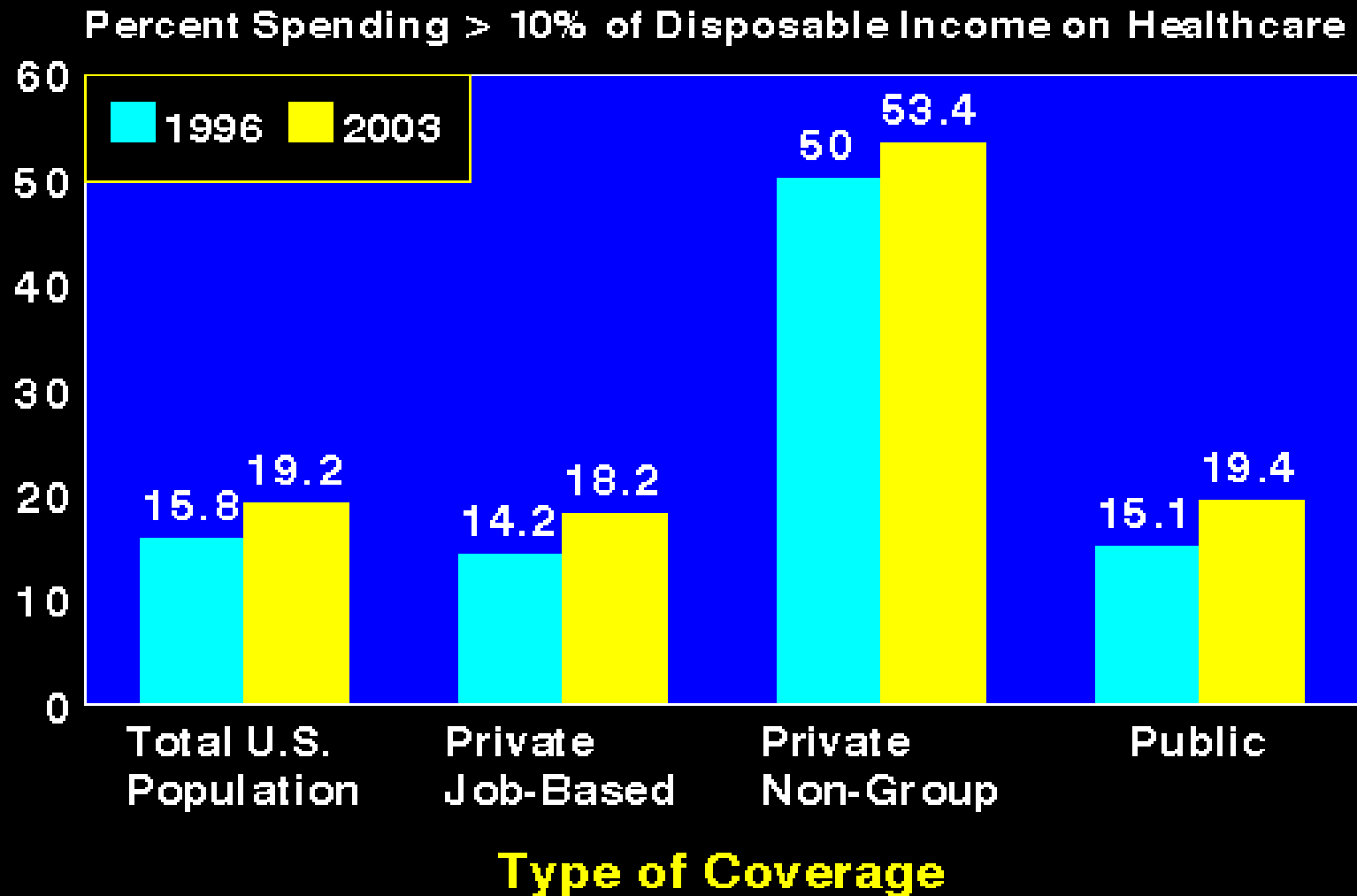
* STUDENTS >18, HOMEMAKERS,
DISABLED, EARLY RETIREES

SOURCE: Himmelstein & Woolhandler - Tabulation from 1998 CPS

44,798 Adult Deaths Annually Due to Uninsurance

State	% Uninsured	Excess Deaths
California	23.9	5,302
Texas	29.7	4,675
Florida	26.0	3,925
New York	17.5	2,254
Georgia	23.6	1,841
U.S.	15.3%	44,798

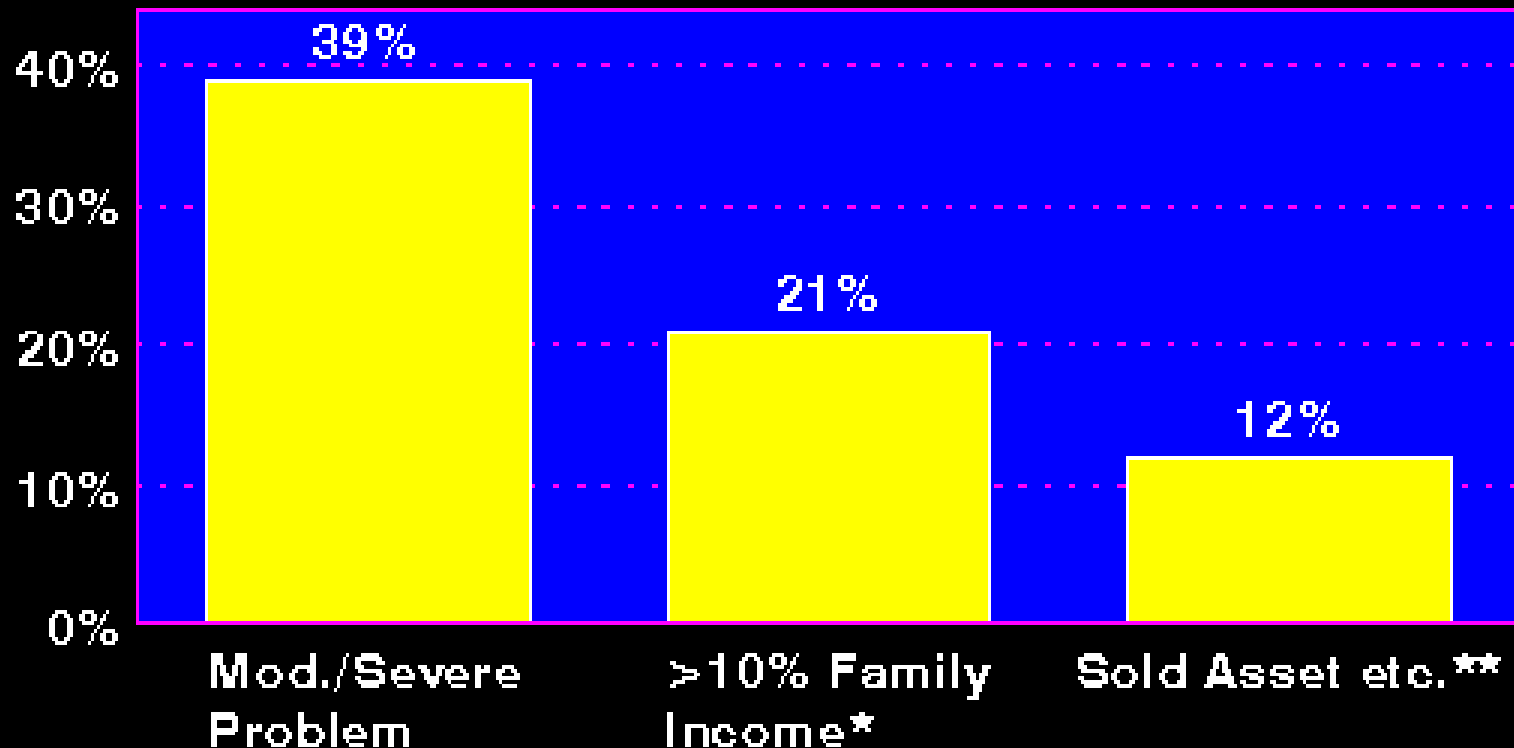
More Americans are UNDER-insured



Source: JAMA 2006;296:2712

Financial Suffering at the End of Life

% of Terminally Ill Patients Reporting Medical Cost-Related Problem



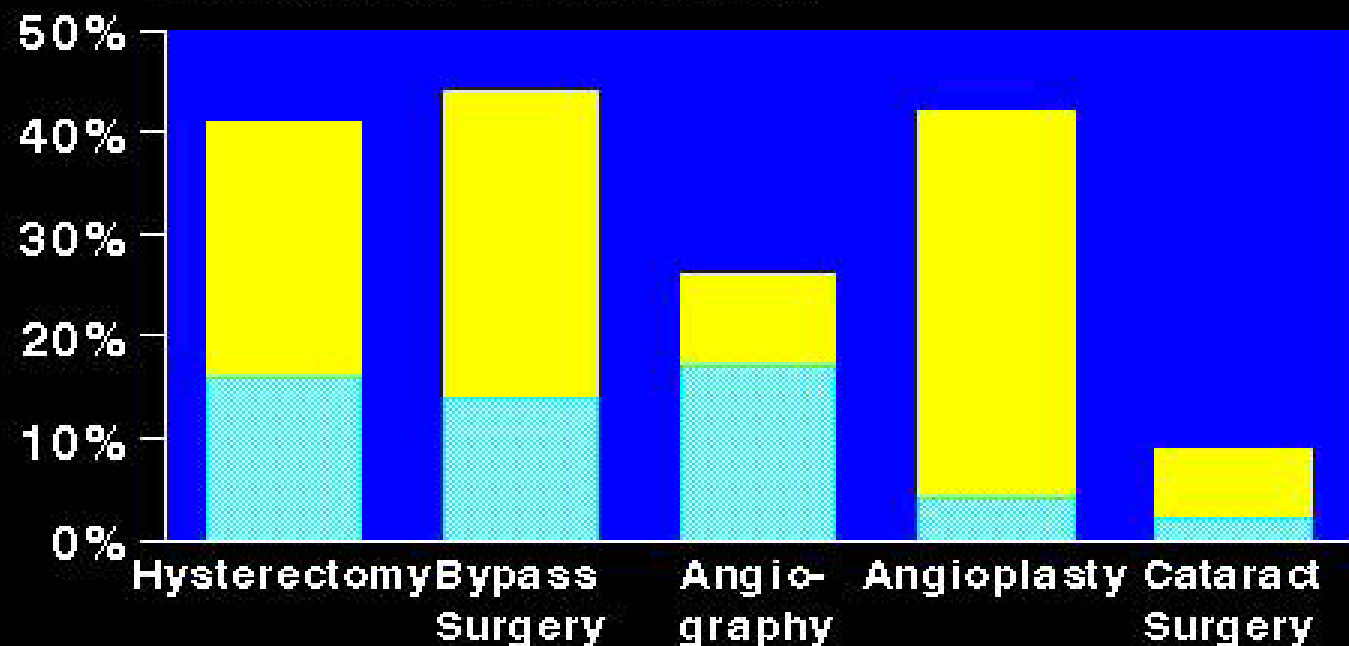
Source: Ann Int Med 2000; 132:451 - Study of 988 terminally ill patients

* Out-of-pocket medical costs > 10% of household income

** Patient or family sold assets, took out mortgage, used savings or took extra job

Unnecessary Procedures

Percent of Procedures



Questionable



25%

30%

9%

38%

7%

Inappropriate



16%

14%

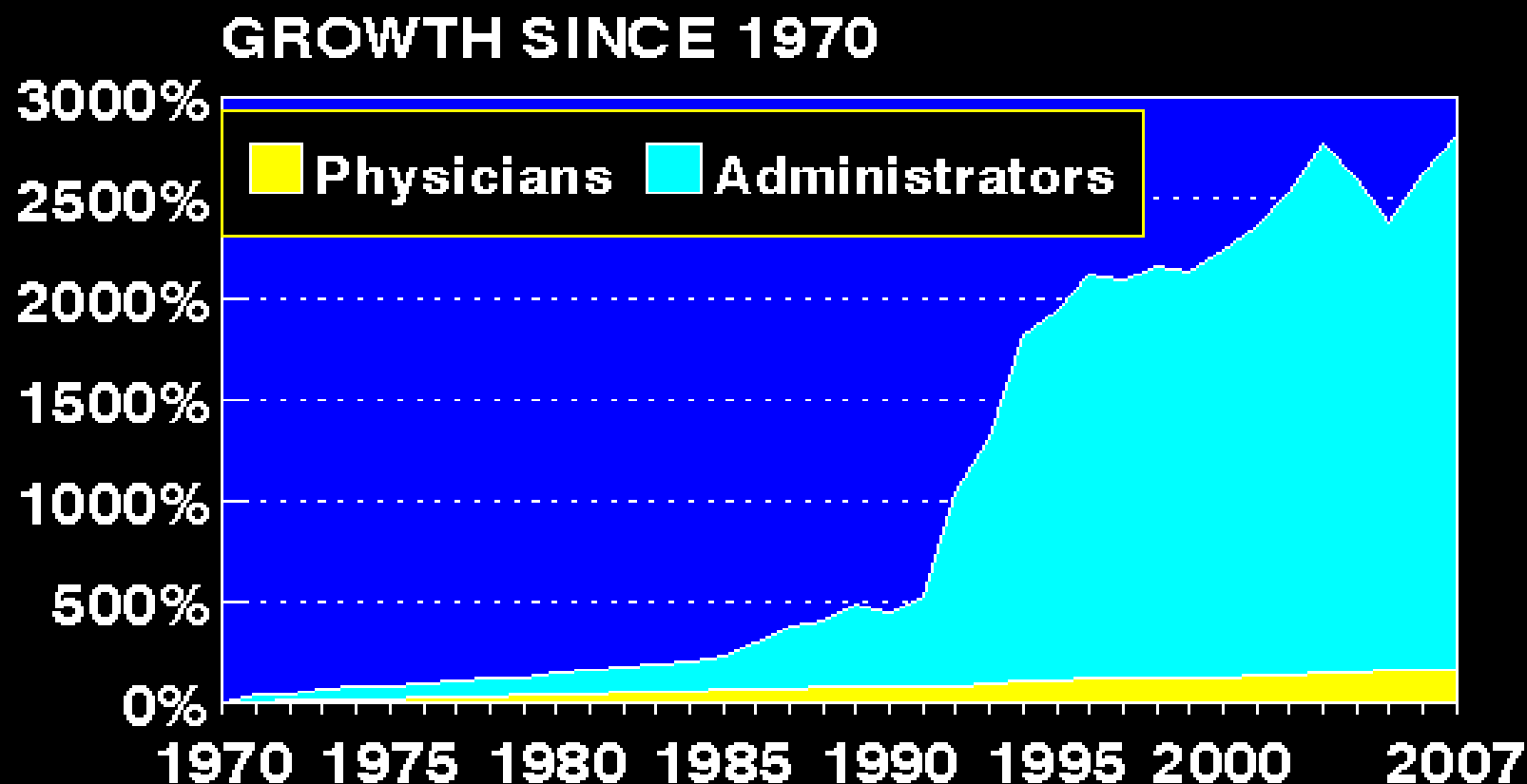
17%

4%

2%

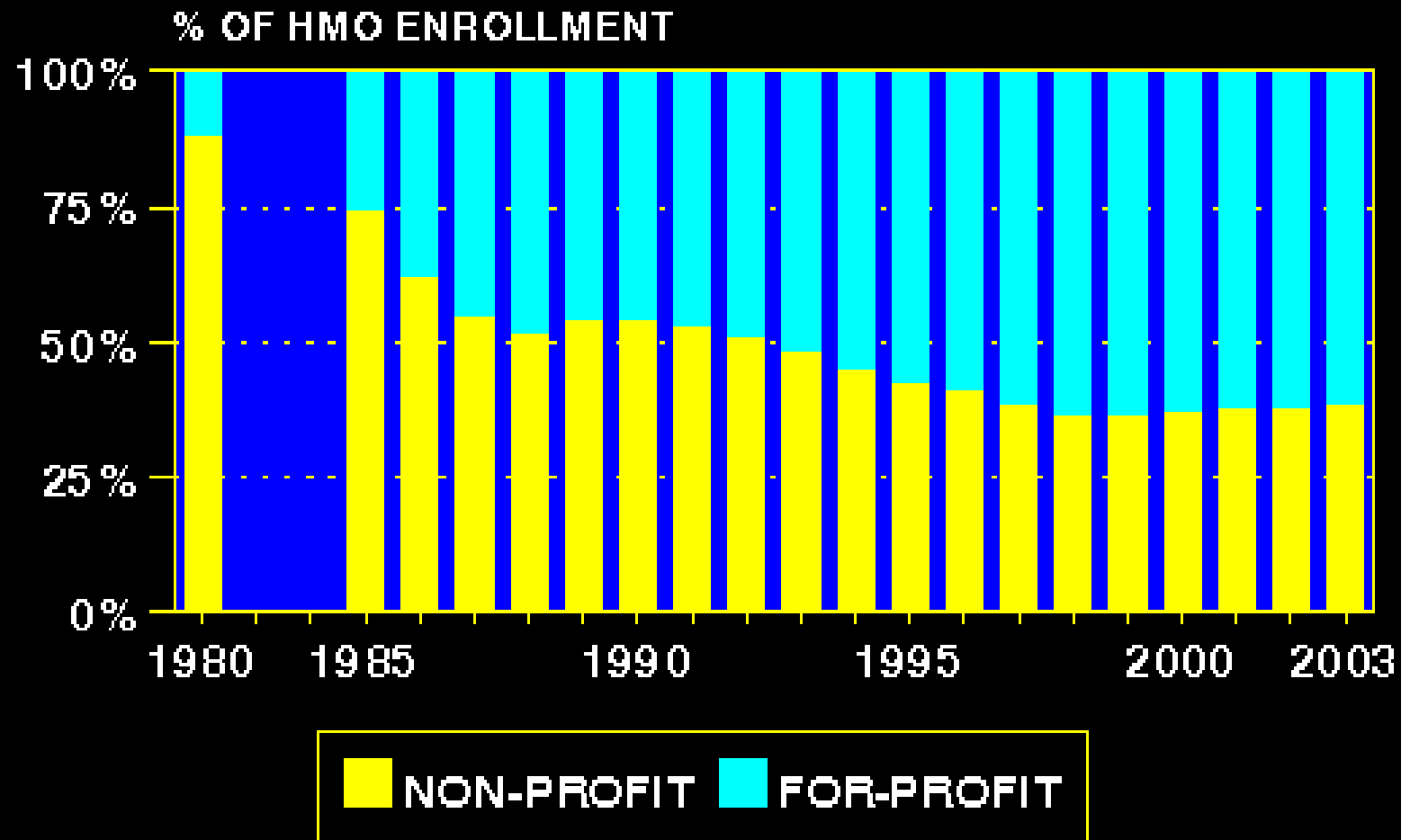
Source: Commonwealth Fund - Quality of Health Care in the U.S. Chartbook, 2002

GROWTH OF PHYSICIANS & ADMINISTRATORS 1970-2007



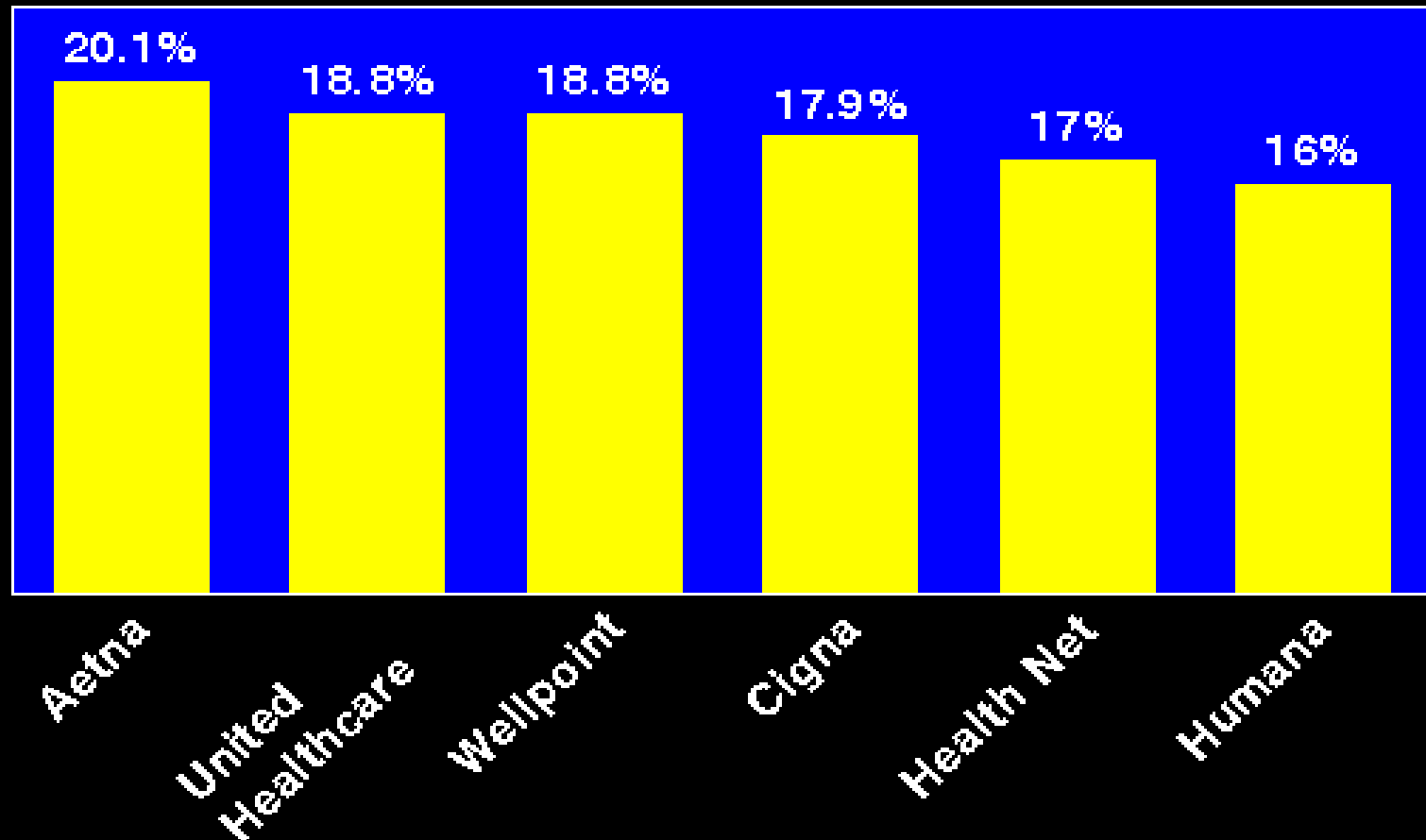
Source: Bureau of Labor Statistics; NCHS; and analysis of CPS

For-Profit HMOs' Increasing Dominance, 1980-2003



SOURCE: Interstudy

HMO Overhead, 2006



Source: Corporate SEC Filings & AMA
Calculated as 100-Medical Loss Ratio

HMO CEO's Pay and Stock Holdings, 2008

Executive	Firm	Pay
Edward Hanaway	Cigna	\$25.8 mil
Ronald Williams	Aetna	\$23.0 mil
Dale Wolf	Coventry	\$14.9 mil
Steve Hemsley	United	\$13.2 mil
Michael McCallister	Humana	\$10.3 mil
Angela Braly	Wellpoint	\$9.1 mil

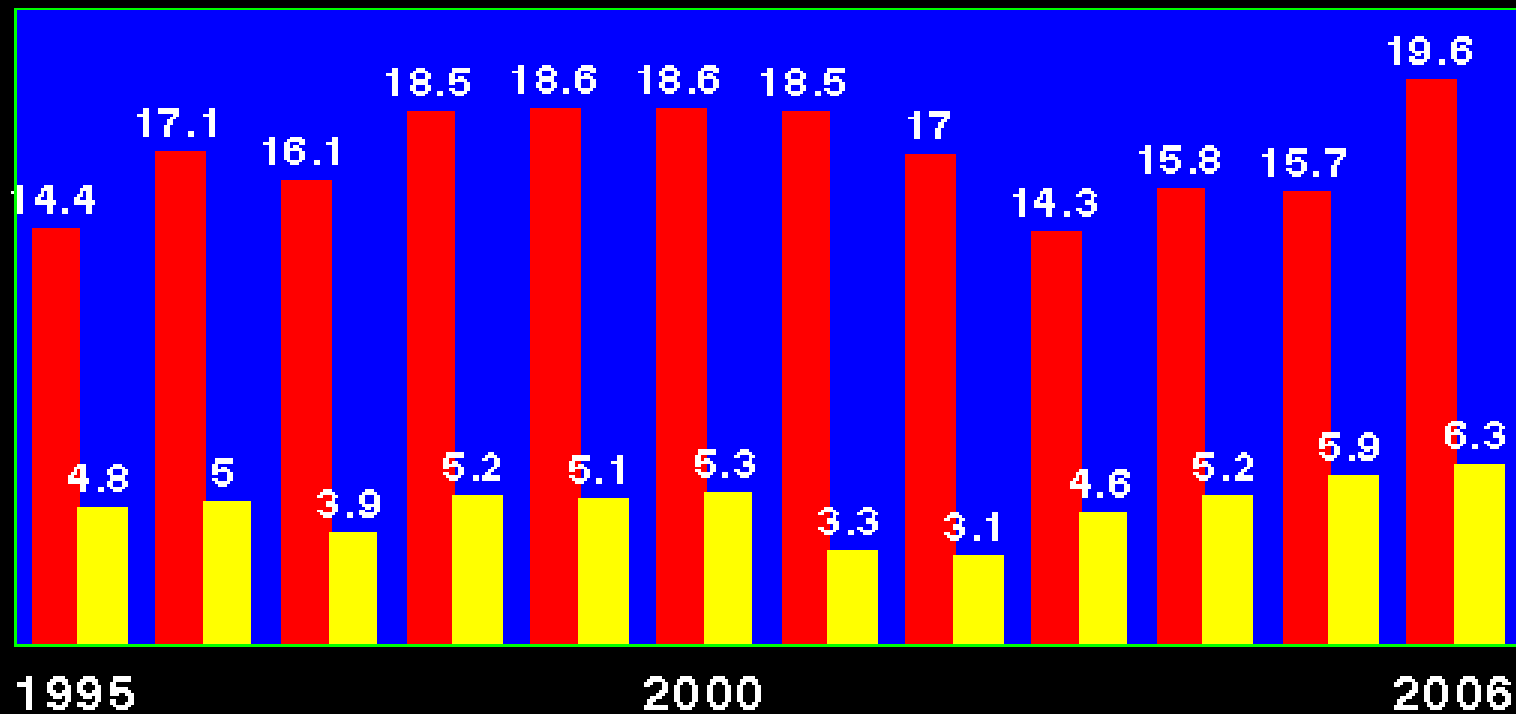
Health Industry Profits, 2006

Pharmaceuticals	\$49.0 billion
Insurers/HMOs	\$12.0 billion
Equipment/Supplies	\$5.2 billion
Hospitals/Nursing Homes	\$1.4 billion
Distributors/Wholesalers	\$2.7 billion

Source: Fortune Magazine April 30, 2007

Drug Company Profits, 1995-2006

Return on Revenues (%)

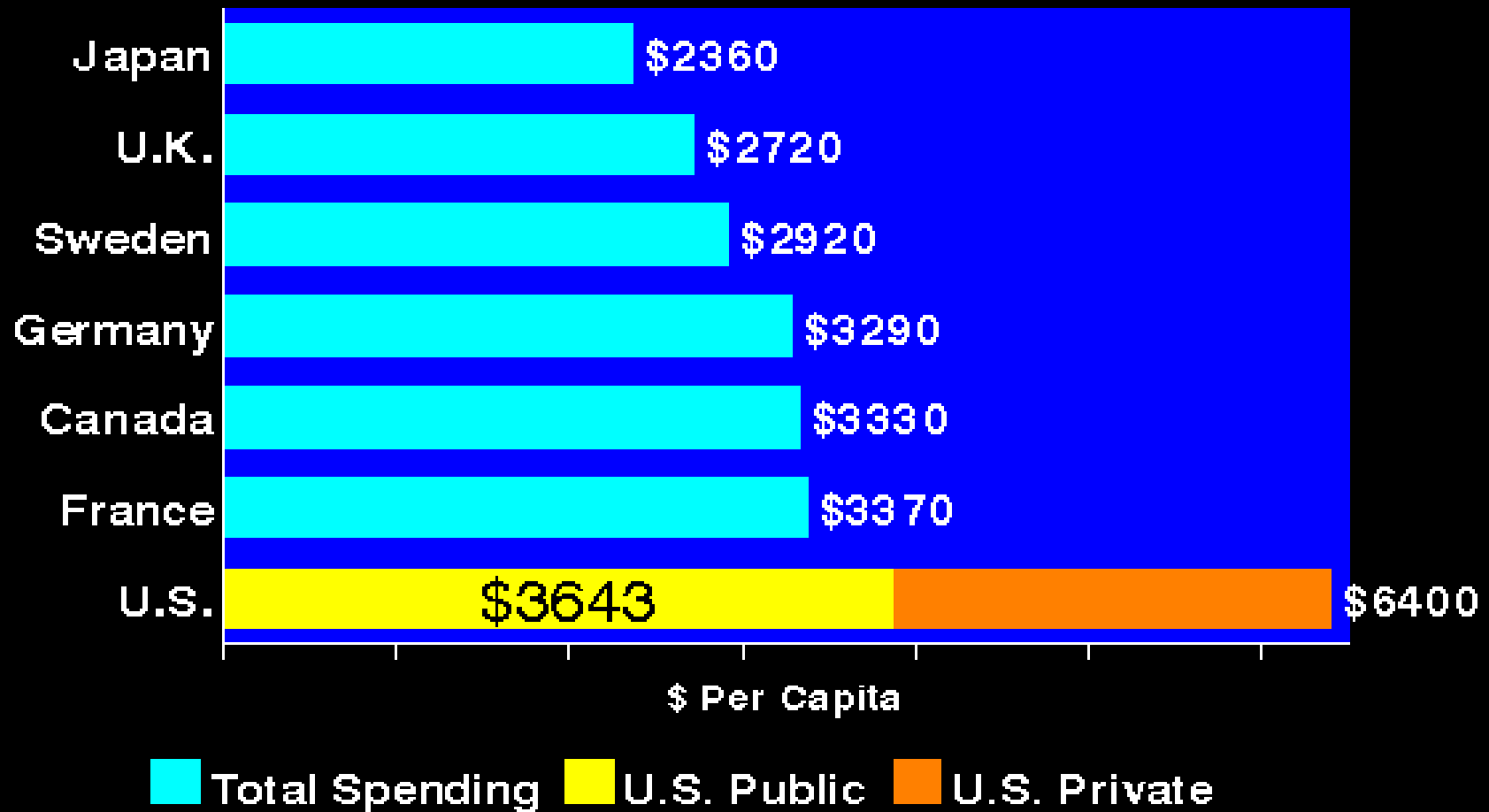


■ Drug Companies ■ Fortune 500 Median

Source: Fortune 500 rankings for 1995-2006

Total drug company profits, 2006 = \$49.0 billion

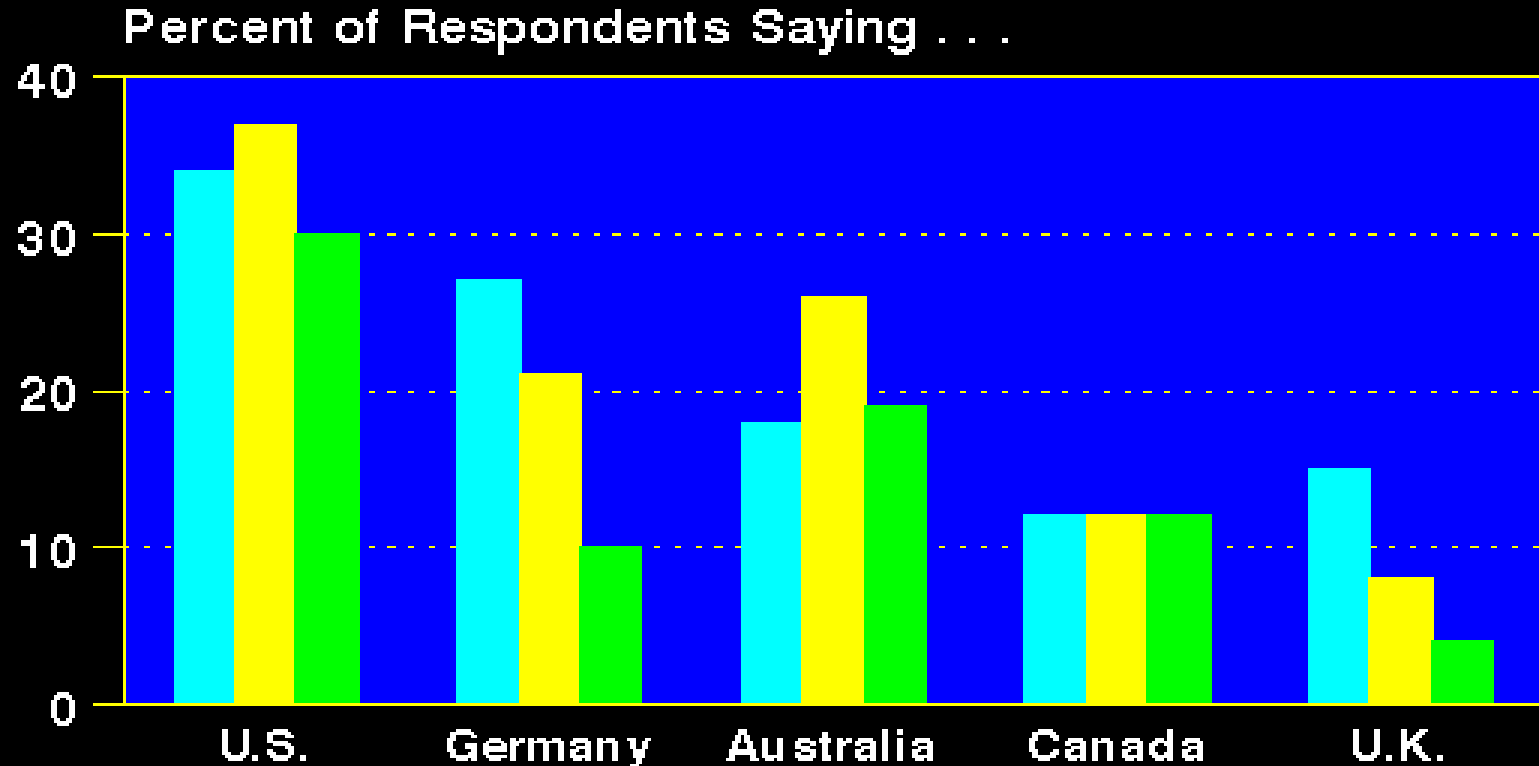
U.S. PUBLIC Spending Per Capita for Health is Greater than TOTAL Spending in Other Nations



Note: Public includes benefit costs for govt. employees & tax subsidy for private insurance

Source: OECD 2007; Health Aff 2002; 21(4):88 - Data are for 2005

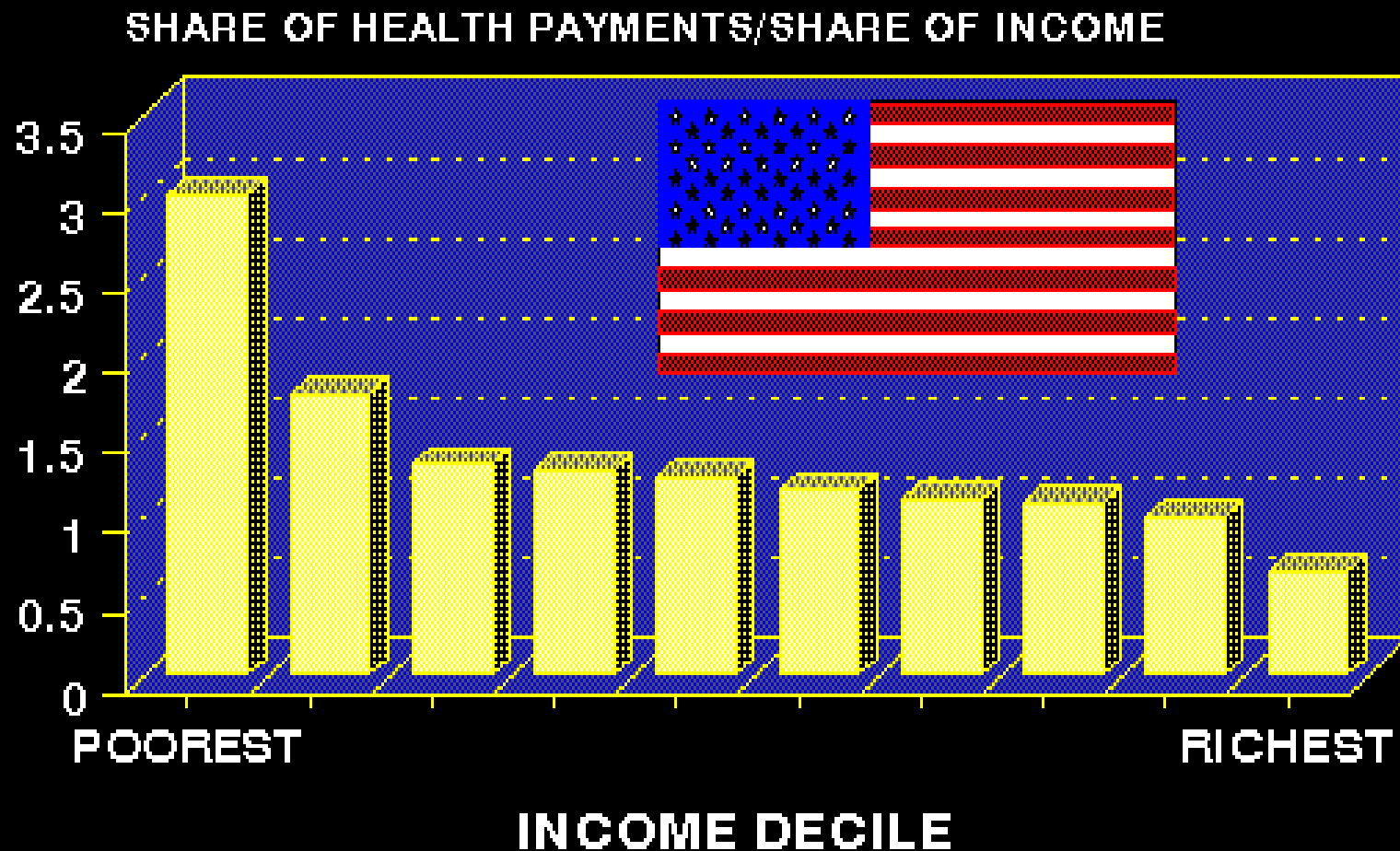
More Americans Face Cost Barriers, Say Health System Needs Complete Rebuilding Compared to People in Other Nations



■ Rebuild Sys Completely ■ Access Prob. Due to \$ ■ > \$1000 O-O-P Last Yr

Source: Commonwealth Fund October, 2007

WHO PAYS FOR HEALTH CARE? THE REGRESSIVITY OF U S HEALTH FINANCING

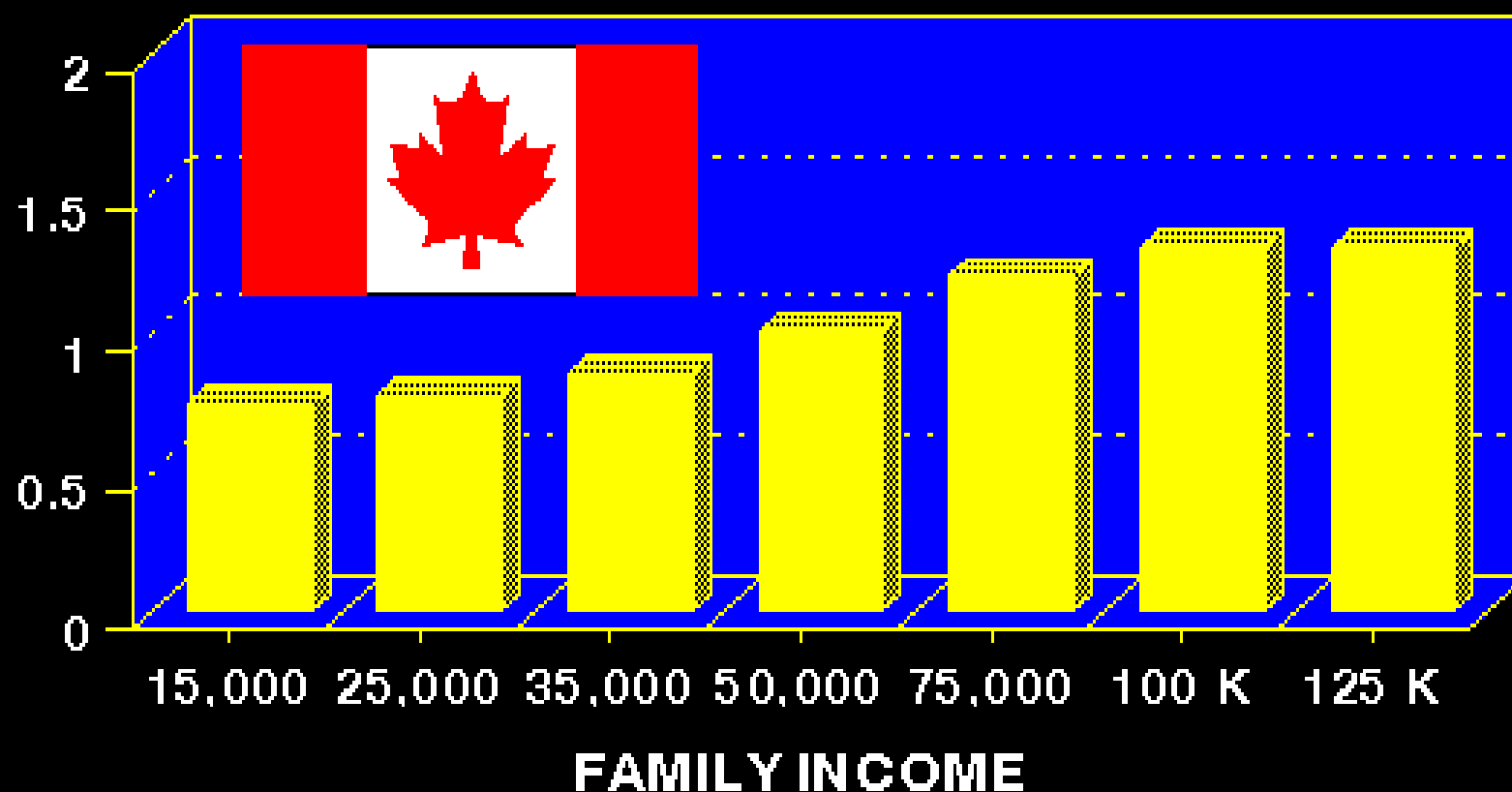


SOURCE: OXFORD REV ECON POL 1989;5(1):89

WHO PAYS FOR CANADA'S NHP?

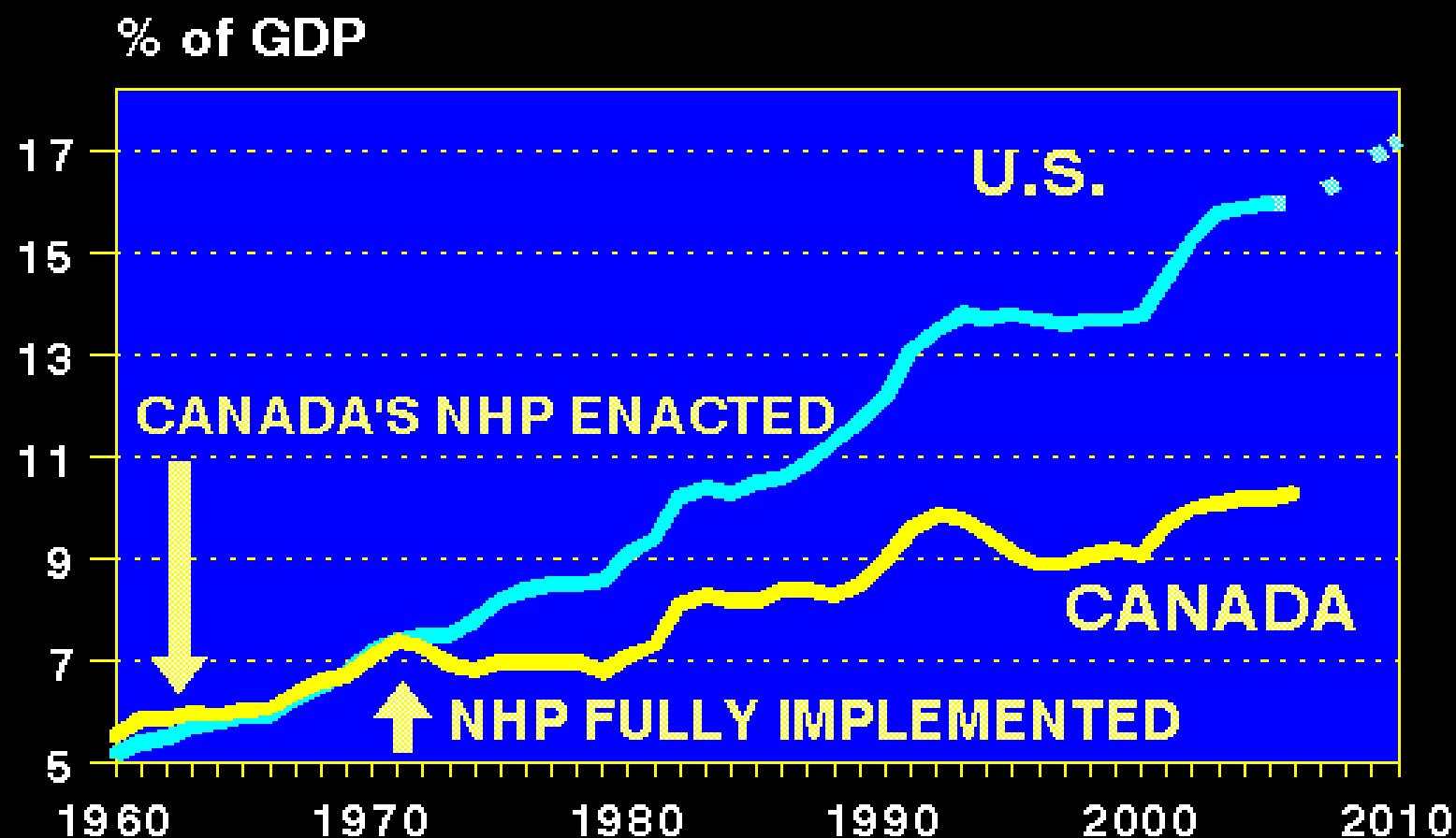
PROVINCE OF ALBERTA

SHARE OF HEALTH PAYMENTS/SHARE OF INCOME



SOURCE: PREMIER'S COMM ON FUTURE OF HLTH, EXCLUDES OUT-OF-POCKET COSTS

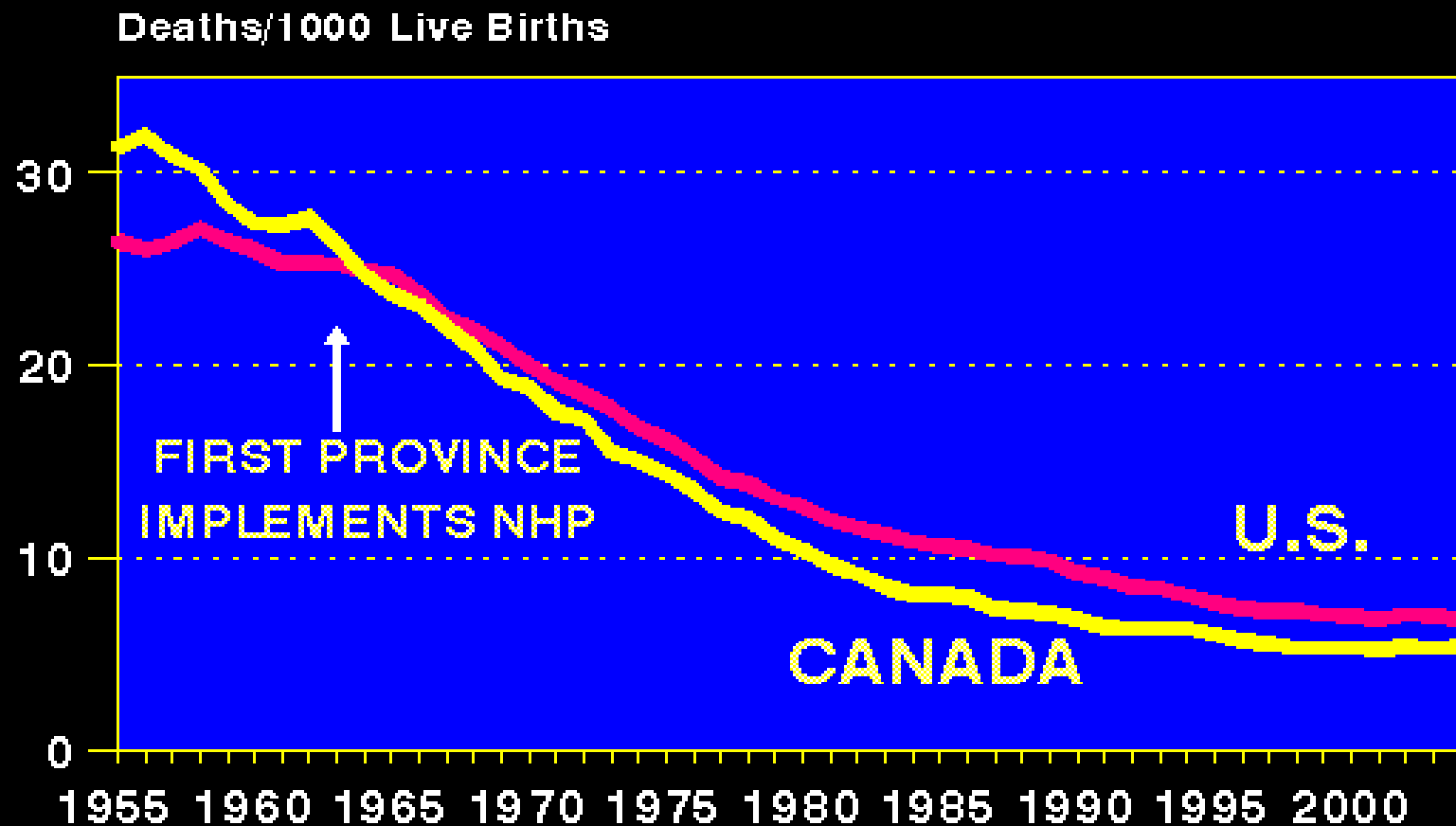
Health Costs as % of GDP: U.S. & Canada, 1960-2010



Source: Statistics Canada, Canadian Inst. for Health Info., & NCHS/Commerce Dept

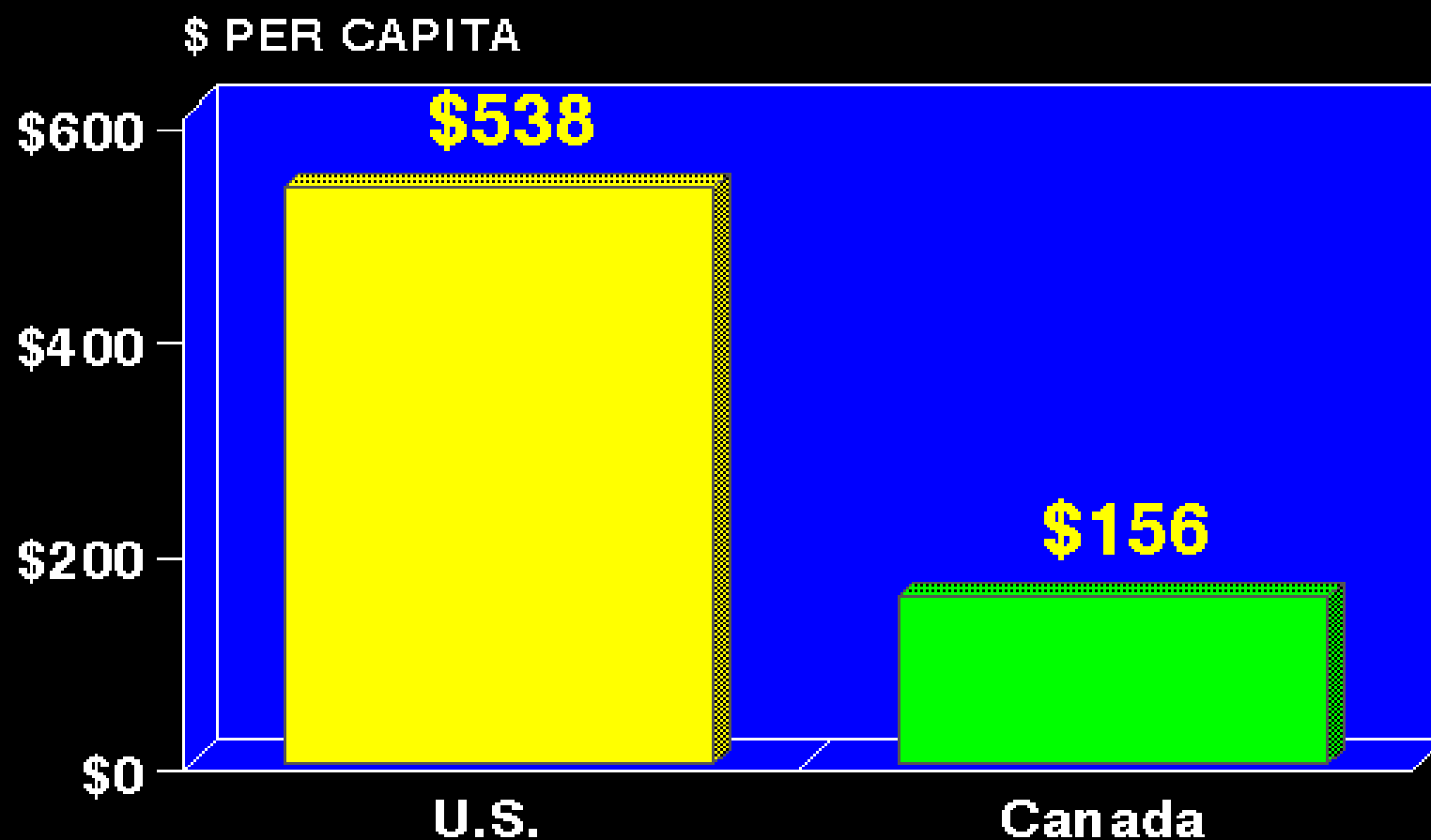
Infant Mortality

U.S. & Canada, 1955-2004



Source: Statistics Canada, Canadian Institute for Health Information, Natl Ctr for Health Statistics

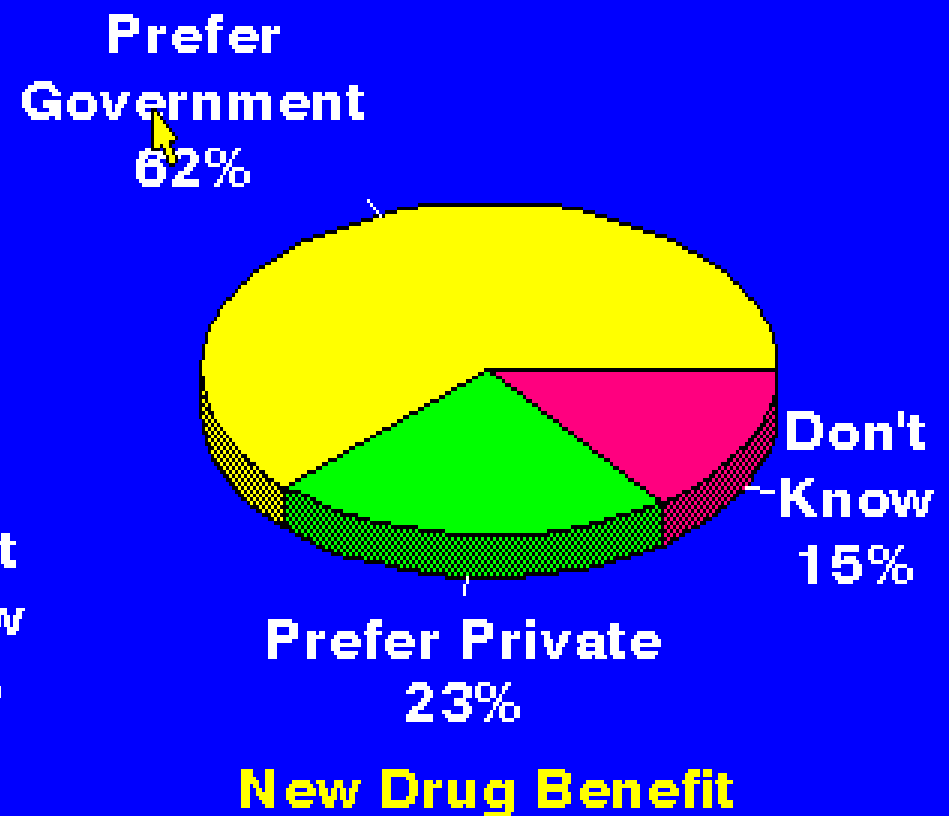
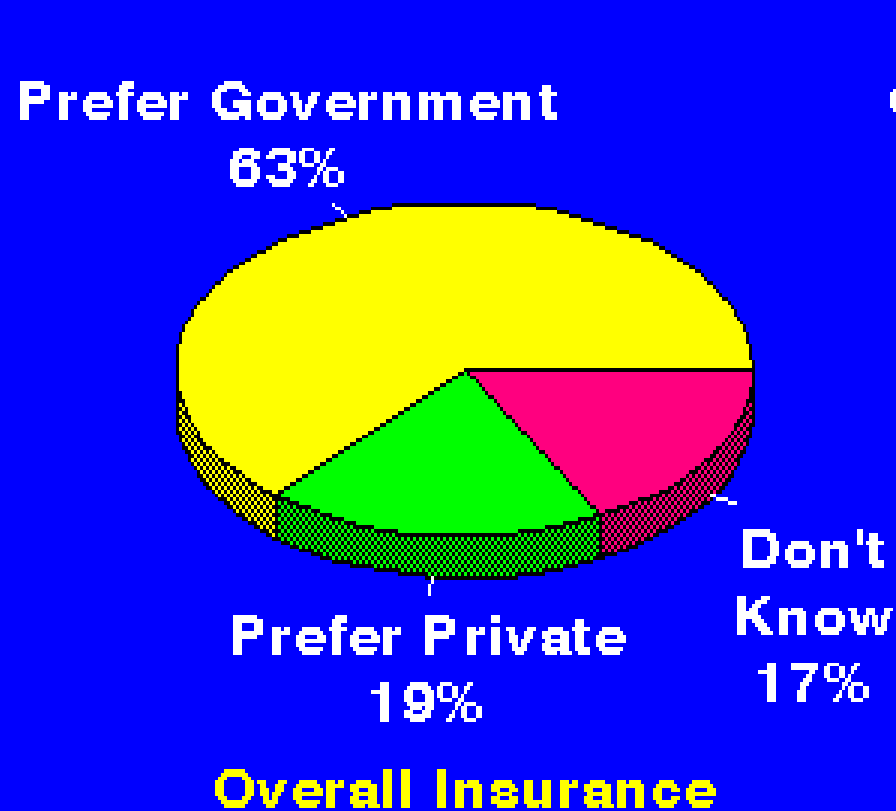
Physicians' Billing & Office Expenses United States & Canada, 2007



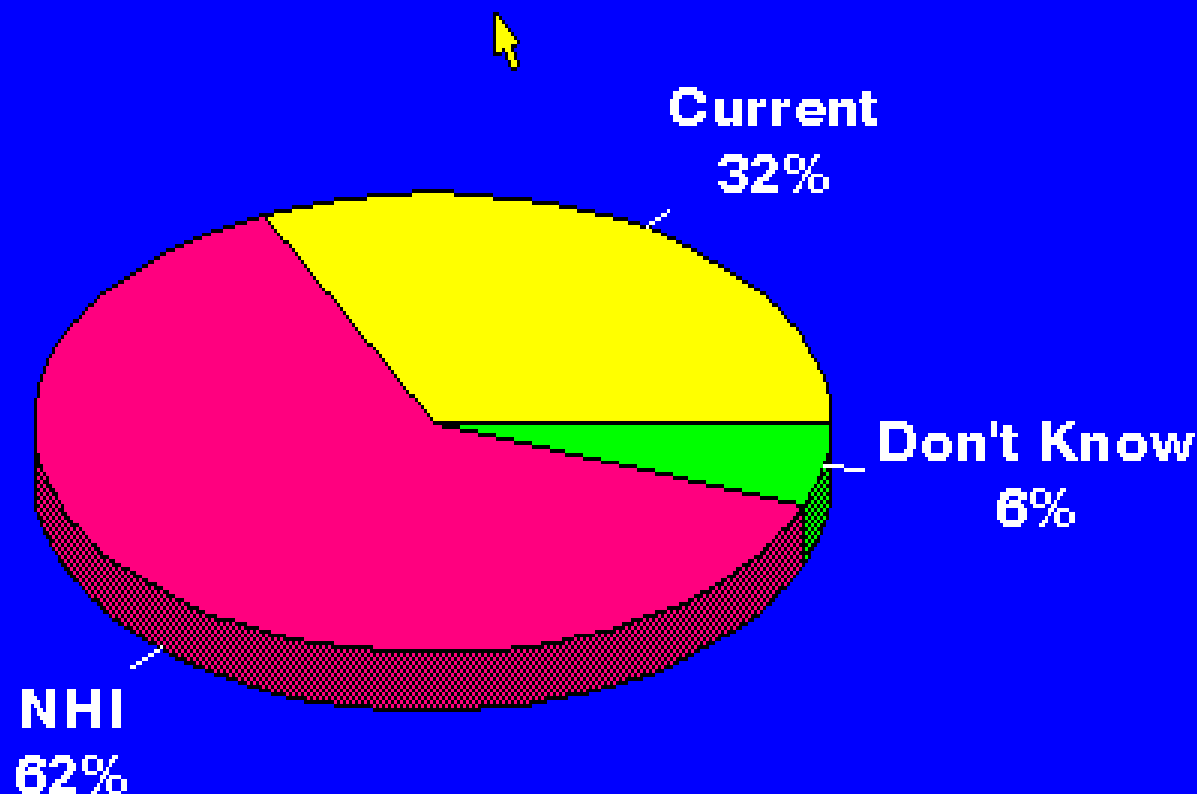
Source: Woolhandler/Himmelstein/Campbell NEJM 2003;349:768 (updated)

Seniors Prefer Government Program

Would You Prefer to Receive Benefits
Through Medicare or a Private Plan?



"Would You Prefer the Current System or Universal Health Insurance . . . Like Medicare . . . Run by Government . . . Financed by Taxpayers?"



Source: Washington Post/ABC News Poll 10/20/03

Why?

Privatization of Medicine

Privatization of Electoral Process

Table 7.1 Trends in National Election Campaign Finance, 1992 to 2006 (in Millions of Dollars, Inflation-Adjusted)

Election Year	Total Business PAC Contributions	Total Labor PAC Contributions	Total Ideological PAC Contributions	Total Individual Contributions
1978	\$66.5	\$31.8	\$8.3	n.a.
1980	93.4	35.3	13.1	n.a.
1982	106.7	43.2	22.9	n.a.
1984	122.4	48.4	28.3	n.a.
1986	111.4	54.2	34.0	n.a.
1988	152.3	58.0	32.9	n.a.
1990	139.4	52.7	22.4	n.a.
1992	263.1	62.4	26.7	\$459.8
1994	262.7	63.6	30.4	353.6
1996	407.7	71.8	33.5	536.5
1998	357.3	65.5	37.8	407.2
2000	669.7	104.7	54.0	817.6
2002	615.5	96.1	68.6	719.3
2004	769.4	101.6	77.1	1,014.2
2006	631.7	88.9	67.1	703.0
2008	823.1	80.5	70.0	802.0

Source: 1978 to 1984: Corrado (1987); 1986 to 2008 Federal Election Commission reports (<http://www.fec.gov>) and Center for Responsive Politics (<http://www.opensecrets.org>).

Note: All estimates shown in 2006 dollars. "Total" includes hard and soft (unregulated) contributions from 1992 to 2002 to all candidates for national office (U.S. House, Senate, and the presidency). After 2002, totals include hard and estimated 527 (ideological advocacy) contributions. Note that 1992, 1996, 2000, and 2004 are presidential years and thus reflect higher overall contributions than in midterm congressional elections without a presidential ballot.

Insurance Industry (2008)

\$525.188

H. Clinton

\$ 414.863

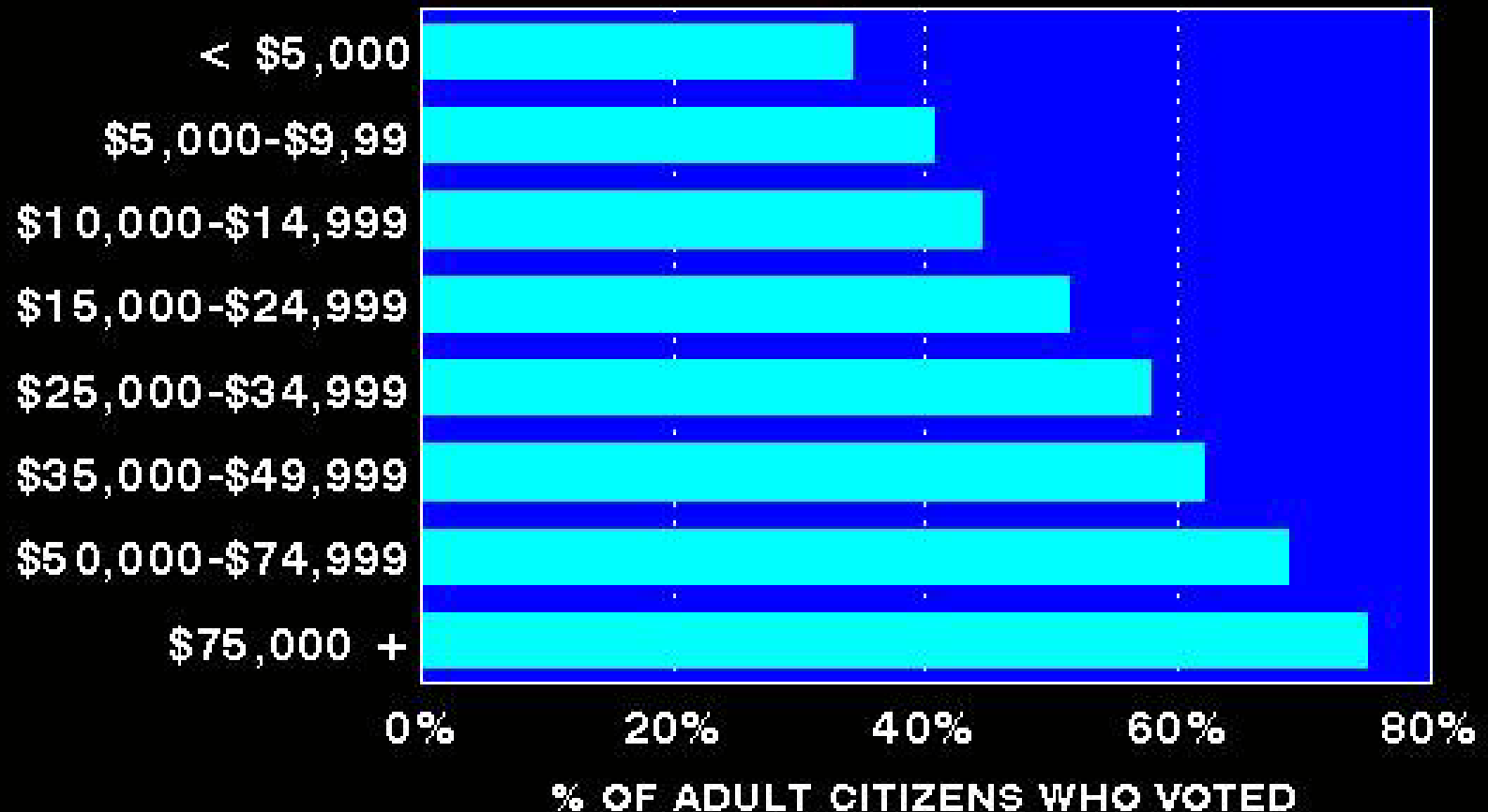
B. Obama

\$277.724

J. McCain

Who Votes?

Voter Turnout by Income, 2000

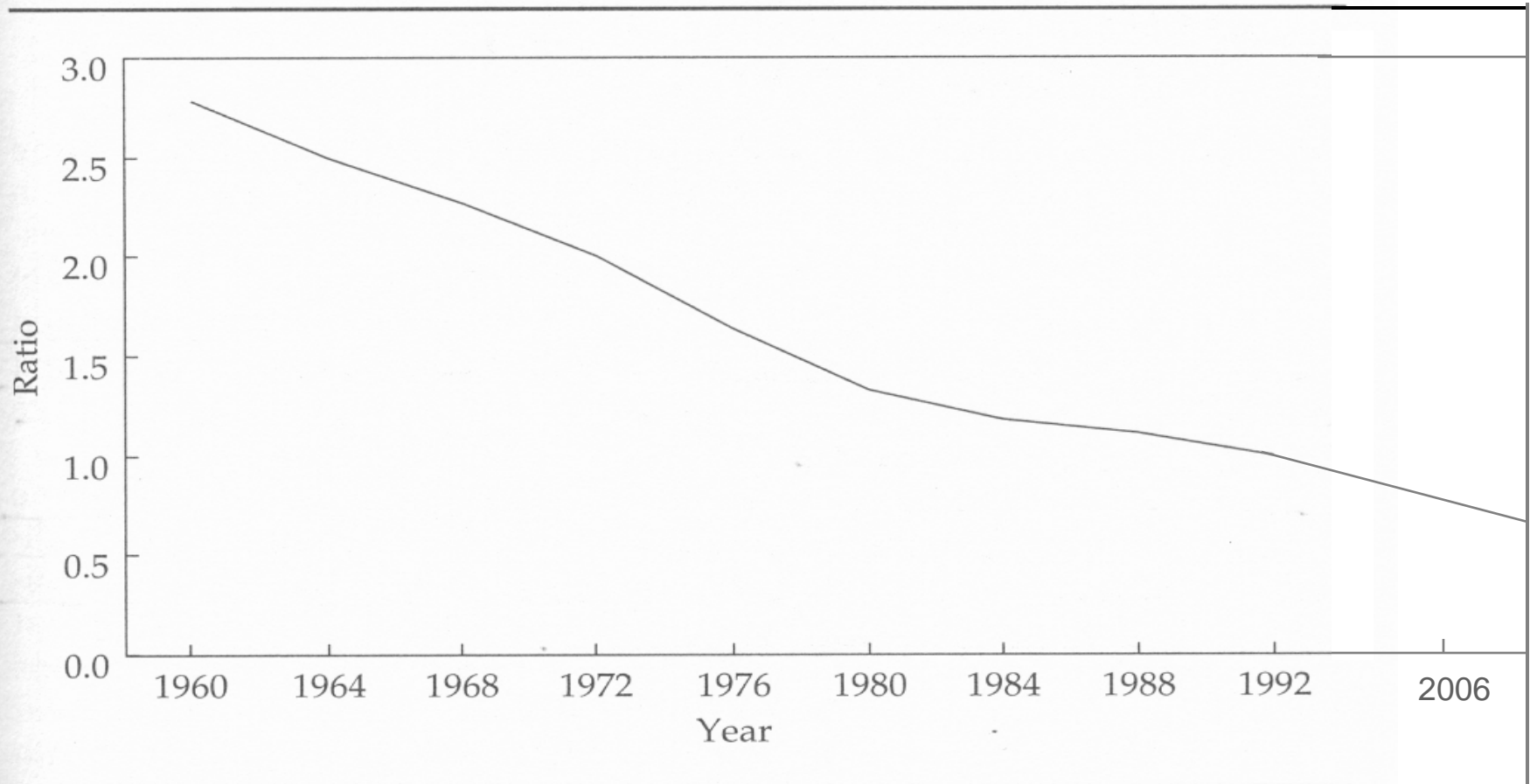


Source: U.S. Census Bureau, February, 2002

2006 Congressional Elections

- 92% of elected officials are reelected
- 94% of candidates with the most money get reelected

Figure 7.1 **The Ratio of Working Class Voters to Professionals and Managers in the Democratic Party Electoral Coalition, 1960 to 2006**



Source: National Election Study; for further details, see Manza and Brooks (1999, chapter 7).