What the Clinton plan promises, the failing economy taketh away

by Linda Everett

On September 22, President Clinton promised before a joint session of Congress that every American would be provided health care "security" under his plan to reform the nation's health care system. A week earlier, Republicans promised they could cure the nation's health care crisis without government mandates, using "medical savings accounts." If you believe them, you might want to check out Burombo, a witch-doctor from Zimbabwe, who claims he can cure AIDS with a secret blend of 47 herbs.

In other words, these folks, no matter how much they believe their promises, can't deliver on them.

While the President and First Lady Hillary Rodham Clinton, who ran the White House Task Force on Health Care, as well as various Republican and Democratic leaders, have an adequate grasp of the tragic crisis that uninsured families endure, their prescription for solving that crisis is not adequate, and their moral commitment to upholding the inviolability of human life in developing a bipartisan plan to implement it—as opposed to a commitment to cutting the deficit—is definitely not adequate.

With all due respect to the "six basic values of principles" of security, simplicity, savings, choice, quality, and responsibility that the President said should be the "guiding stars" of the country's efforts to reform health care, to which the Republican Party agreed, the fundamental principle of inviolability of individual human life is the basis of our traditional health care system. The problems with our present system have nothing to do with that principle. Rather, it is the *compromise* of that principle, especially as it was once embodied within productive economic policies supporting the infrastructure, manufacturing, and industrial investments that afforded Americans a decent standard of living and the ability to purchase health insurance, that has caused today's crisis. Neither the Clinton plan nor the plethora of other proposals address this primary policy issue.

What the administration proposes would not simply further compromise that principle in health policy, in the way, for instance, that insurance companies routinely increased premiums to compensate for their losses in speculative investments. The administration's plan would nullify that principle by having the flagging economy dictate and ratchet down the level of annual health care expenditures. The plan imposes a completely arbitrary global spending cap to assure the President's aim of bringing "growth in health care costs in line with growth in Gross Domestic Product by 1997."

The American Health Security Act of 1993 "guarantees comprehensive coverage for all Americans" regardless of their employment or health status. This includes some 100 million Americans who are currently uninsured, underinsured, and temporarily uninsured due to lost jobs, waiting periods, and preexisting conditions. Everyone would obtain coverage by enrolling in a plan through their regional or corporate health alliance. *Health alliances* are state agencies or non-profit groups directed by consumers and businesses, but not providers. The alliance, representing large numbers of enrollees, is able to negotiate for lower premiums among the insurers and health plans. They rate and choose for enrollees several managed care or health maintenance organization (HMO) plans and one fee-for-service plan, if allowed. The enrollee makes his or her choice among those the alliance has approved. The alliance also collects/pays premiums.

Beneficiaries of Medicaid who are under the age of 65 are also enrolled in the large purchasing group or health alliance, and pay according to their employment status. The state Medicaid program would pay only a capitated or flat HMO rate for their care. But, even Medicaid beneficiaries would be required to pay something for each visit, which may bar at least some people from receiving services.

The *health plans* or networks of insurers, HMOs, and conglomerates of hospitals, doctors, nursing homes, and other providers must provide the basic benefit package with premiums based on a *community rating* system. Instead of the current system of basing premiums on an individual's preexisting medical condition and risk of his/her likely need for treatment, the Clinton plan stipulates that such risks be spread over a larger "community" base, keeping premium costs lower. These plans would then compete for enrollees by continually cutting costs. The President's priority is delivering primary and preventive care through managed care plans like HMOs, which are mandated in most reform pro-

posals and state Medicaid programs today. People will be driven into choosing these cheaper plans. Despite all the promises about "choice" of doctors, even at the extra costs to your family, these plans do not have to hire your physician.

Managed care plans have been fraught with a history of denying patients life-saving or critical treatment needs or specialist referrals to cut costs or to increase profits. All managed-care plans weigh the costs of treatment versus their bottom line. They cut costs by cutting access and use of services through utilization review. All this drives doctors crazy and drives up costs and paperwork—exactly what Clinton has thankfully pledged to eliminate. But now, the President would have providers in these plans "police" themselves to cut costs and keep "competitive"—again throwing providers into a conflict of interest while serving their patients.

The health plans will be scrutinized by the state health alliances, which, in turn, are supervised by several layers of state and federal bureaucracies, leading up to a seven-member National Health Board appointed by the President. The board sets the benefit package; suggests benefit changes; calculates premium increases; and enforces near-totalitarian control over state compliance with global spending caps, including cutting federal appropriations to states that resist compliance.

Employer mandates

The President's plan builds on the fact that many obtain coverage now through their jobs. Distinct from employer-*based* plans, the President's plan utilizes an employer-*paid* mandate that requires all employers to provide coverage for employees, and pay 80% of the premium costs; the employee pays the rest. The employers' share is capped at 7.5% of payroll. Firms with 50 or fewer workers will get subsidies if the average annual worker's wage is below $24,000 a year. These subsidies will be phased in over several years to ease the financial burdens of these requirements on small businesses. The administration will end the subsidies after ten years, allegedly to discourage large corporations from "spinning off" small companies into low-paying operations. Self-employed individuals pay 100% of premiums, which are 100% tax deductible. But, as the examples below show, as the economy unravels, the best of employer mandates won't work. Those who are unemployed still pay their 20% of premiums, with government subsidies covering the rest. Those who need more coverage can purchase more extensive coverage at a higher premium, but the employer's share is not tax deductible, and the employee's share is taxed as income. Companies of 5,000 or more employees can self-insure or join an alliance.

Small businesses, already in desperate straits, fear the mandate will force them to cut their work force. One study found that the group most likely to suffer would be the low-skill, low-wage workers likely to lose their jobs as a result of the mandate. The study, released by the Employment Policies Institute, "predicted" a loss of over 3.1 million jobs nationwide, mostly from the restaurant, retail, construction, personal services, agriculture, private household services, and repair sectors.

President Clinton cites Hawaii's employee mandate plan, which he and others claim holds down Hawaii's health care costs below the national average. That may have once been true, but costs in Hawaii now are rising as quickly as they are nationally. Employers pay abysmally low wages or must cut staff to offset high benefit costs. Directly as a result of the economic crisis, Hawaii's Medicaid program is out of control because their unemployed population is expanding at an explosive rate.

Rochester, New York is another employer-paid plan hailed by Clinton because it, too, appeared to keep the rise of health care costs below the national average. The city's major employer, Kodak, extended its Blue Cross-Blue Shield community rating plan to other businesses throughout the city. Businesses negotiate with Blue Cross-Blue Shield, city hospitals, and doctors to set yearly fees and spending caps. Yet, over the last decade, even with ruthless cost-containment, insurers are cutting services, and Kodak has forced its employees into HMOs and has employees pay all premium costs. Kodak just laid off tens of thousands of workers "to consolidate profits," while other firms in financial crisis shifted to temporary workers to avoid providing benefits altogether. The newly unemployed get no care until they have a costly emergency, or they shift to state Medicaid plans.

The administration plans to bail out major businesses by taking over the costs of retiree medical benefits. Paying 80% of the premium costs "could produce dramatic . . . expense reductions," these firms admit, because premiums for pre-Medicare age retirees is considerable. The plan may lead to hundreds of thousands of early retirements, at government expense.

Unions, too, have been courted with a provision that would keep existing benefit agreements intact for the next decade. AFL-CIO President Lane Kirkland, speaking in Washington a day before the President unveiled his plan, announced that the AFL-CIO endorses the Clinton plan, because it has strong cost-containment measures and "it meets labor's goals for health care reform." The union intends to launch a major campaign to have Congress enact it.

'Saving' Medicare billions

Clinton promised to keep the federal government's Medicare program for elderly and disabled Americans, but he has given states the option to disband Medicare and funnel the elderly into health alliances. Also, Medicare will be drastically revamped to be primarily a managed-care HMO-style plan, which has proven disastrous for this vulnerable population. The administration's plan calls for "reducing the rate of growth of Medicare" by $124 billion between 1994-2000, and slowing the Medicaid rate of growth to "save" $114

billion between 1994 and 2000. Somehow, if we are to believe Sen. Jay Rockefeller (D-W.Va.), who is out "selling" the Clinton plan, cutting $124 billion out of one Medicare plan to fund a new Medicare programs under reform is fundamentally different than just cutting Medicare to cut the deficit, as was the aim when Congress gutted Medicare in August of $56.6 billion for 1994-98, its biggest reduction in history. This tops the Reagan-Bush era Medicare cuts of $80 billion between 1980-92.

Hospitals and doctors, now paid maybe 76% of Medicare treatment costs, will take the brunt of many of these cuts. In the past, providers recovered unreimbursed Medicare costs by charging privately insured patients a little extra. But the administration also intends to cut the rate of growth of private health care expenditure by *half* between 1994 and 2000. The administration reiterates that providers will save billions when the new plan institutes its uniform claim forms and streamlined benefit coordination. Thousands of physicians aren't buying that, and are selling their practices in unprecedented numbers.

Contrary to its claims, the Clinton plan does shift costs—out of the system and to the patient. For instance, these draconian budget cuts will have Medicare patients pay new and larger co-payments for care, including 20% co-insurance on all laboratory tests and 10% coinsurance for some home health visits. Part B Medicare premiums will be increased for individuals with incomes over $100,000 and for couples over $125,000.

The administration says it will funnel the Medicare "savings" into a new Medicare *prescription benefit* for older or disabled Americans which is obviously needed. But the new plan requires beneficiaries to pay 25% more on the Medicare Part B premiums (which most can't afford now), along with a $250 annual deductible, after which patients must pay 20% of the cost of each prescription (annual limit of $1000). A new *long-term care* benefit for home care is long overdue, but it is not clear how many can utilize its limited provisions, given new co-payments on it as well. It appears the new benefits are an inducement to get older Americans to approve the plan overall. An American Association of Retired Persons spokesman told *EIR,* "If the administration is looking at just Medicare and Medicaid to fund this reform—that's not acceptable. But, if cost-containment is enforced in the private sector as well," AARP will go along with the cuts.

Underneath the flowery language, it's Auschwitz

It is ominous, indeed, that so-called advocates for older Americans would comply with what amounts to a quarter of a trillion dollars in Medicare cuts from 1980 to 2000—while the elderly will make up 15% of the total population by the end of the decade. The only way such cuts are possible is by "triage," as Lyndon LaRouche stated in his Sept. 29 comment on the Clinton plan. LaRouche says that beneath all the flowery language of the budgetary plan and the promises of how it's going to work, we have a package "triaging out of existence, or by pushing a pencil, reducing the number of old people and chronically ill, simply by withholding the care which they require to stay alive. It's the Auschwitz method. It won't say that on the paper, but that will be the effect of the caps."

He's right. Not only does the plan emphasize its hospice care provision for the so-called terminally ill, Hillary Clinton told radio talk show hosts that she intends to include the so-called living will in the basic benefits package! Hospices and living wills are not benefits: They are the products of the Euthanasia Society—the same crowd that promoted eugenics with the Third Reich. Hospital "ethicists" and efficiency experts are now enforcing triage by terminating or denying patients life-saving treatment they consider "futile" or "unnecessary." Last month, the Michigan Department of Social Services went to court to charge the indigent parents of a premature infant with "neglect" for refusing to let doctors stop their baby's life-support. The hospital charged that keeping the child alive was like abusing it by beating it with a bat. The judge ruled the parents "incompetent" and appointed a guardian who had the child killed. Such legal and medical precedents would have been called Nazi policies a decade ago. Now, it's called "appropriate care."

President Clinton will institute new standards of care which will define "appropriate" treatment or "practice patterns" and which will carry "the force of law." This means doctors who "police" themselves, eliminate "unnecessary" treatment or follow "practice guidelines" that say only cost-efficient palliative care, not resuscitation, for patients over 65 or whatever, are not liable if the patient dies. *Voilà!* You now have malpractice reform—just as in Oregon's health care rationing program, which the President launded earlier this year.

Meanwhile, Willard Gaylin, co-founder of the infamous Hastings Institute in New York, is brainwashing doctors, nurses, and the public that the real health care debate is about "deeper issues . . . [like] our attitudes toward life and death . . . who shall live and who shall die." He says if we can't solve these "almost existential questions," we can't solve the nation's health care crisis. Hastings co-founder Daniel Callahan convinced millions of policymakers that elderly patients should only receive palliative care—what LaRouche describes as giving "Tylenol-triage, instead of medical care." Now, Callahan is touring the country telling people they are causing the high costs of health care because they keep fighting to live. If Americans would just "accept death," he says, we'd save billions!

A recent issue of *Tikkun,* a magazine the First Lady admires, advises Clinton to create a new President's commission to publicly deliberate and make recommendations on health-care rationing, physician-assisted suicide, and euthanasia.