



Universal Coverage — the New Perfect Storm

Executive Director's Message



By Bill Sandberg

Look for a new attempt to increase health care coverage despite the economic downturn. Our own effort failed in 1992, but this time some of the opponents are switching sides.

THE 2003 CALIFORNIA LEGISLATIVE session is under way and two expected pieces of legislation are once again raising the level of debate over how to achieve universal coverage for all Californians.

One is expected to call for a "pay-or-play" mandate — forcing business to either provide or subsidize insurance for their workers, or be taxed to help create a purchasing pool with affordable premiums. Another proposal is expected to call for a single payer system.

The California Medical Association's own Proposition 166 ballot initiative failed in the final weeks of the November 1992 elections. Its Affordable Basic Care Plan (ABC) was leading in the polls just a couple of weeks before the vote. In the final days, the insurance industry and others launched a well-funded media blitz that effectively killed the proposition and threw insults at California physicians for trying to match what Hawaii had achieved for its uninsured population. Had the proposition passed, it would have phased in coverage for all California's uninsured by the year 2000.

The key points we made then hold true today. The economy was in recession in 1992. Both the economy and our perpetual health care crisis are much worse today than they were 10 years ago.

The key CMA message for Prop 166 stated,

"Our polling shows that by merely communicating the facts of what is contained in the provisions of Proposition 166 we win. California's Health Care System is in a state of crisis.

"Over 6.3 million Californians lack health coverage, private insurance or public assistance. Our state's emergency care system is collapsing under the weight of uncompensated health care. Children have died from measles because of lack of vaccination. Women are going without prenatal care and arriving in our emergency room in crisis. Cancers are growing undetected because of lack of routine physicals and check ups." (September 1992)

This time the debate may be different, of a higher caliber and with even more urgency despite the deficit. We may be closer to a solution than we think — whether we will like it or not.

This time, the major HMOs in California are publicly supporting universal coverage. They are talking about it in their speeches and before the legislature, and they are making proposals.

Obviously, they would prefer anything other than a single payer system to achieve universal coverage. They know that their own predictions of 15–20 percent annual premium increases through 2010 are not sustainable, and they know both big and small businesses cannot afford that kind of increase.

They also know that, except for Kaiser Permanente, traditional first dollar HMO enrollment is dropping like a rock. The growth in the number of uninsured is also a factor. While high deductible PPOs, or even MSAs may be an answer for the "healthy wealthy," they are not solutions for most of the uninsured population.

Worker job lock — flat and even declining income for workers bearing an ever-greater share of their health expense — creates a new and powerful catalyst for change. For the first time, business may be more engaged in constructive dialogue, too.

In 1992, organized medicine said it would withdraw its initiative if the Governor and the legislature took action on their own. Of course, neither party wanted anything other than more study.

This very same set of circumstances could play out again in 2003; with a nasty economy and at least two serious efforts to put universal coverage on the statewide ballot. The outcome may be very different this time around because some of the most powerful special interests may be ready for change.

This next session of the legislature may be the most exciting in a long time. Keep your eye on what many are calling the forming up of a Perfect Storm. Don't be surprised if you discover that you or your group will be paying more for your health insurance than your professional liability coverage. For some medical specialties that has already happened.

And, if you have thought about retiring before you are eligible for Medicare, you had better think about what your coverage is going to cost.

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