A Quest for Justice:

A Historic Look at Comprehensive Health Care Reform Efforts in America

1945-2007

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Introduction

It is 2009 and health care reform is back, after a fifteen-year hiatus from the national political spotlight. A sixty-year history of various legislative initiatives has led to an expansion of the public sector of health insurance coverage, known as Medicare and Medicaid, but has continued to fall short of comprehensive reform. Comprehensive health care reform would provide universal health care insurance coverage for all Americans and include some type of system of cost controls so health care expenditures don't continue to increase at rates that threaten the budgets of other public programs such as K-12 and higher education.

For decades, the U.S. has been the richest most powerful nation in history, yet it is the only rich free-market democracy where access to health care insurance is not considered a right of citizenship and health insurance coverage is not universal, portable, accessible, or comprehensive. [1] Forty-seven million Americans are uninsured, and in 2008, The Commonwealth Fund reported that another 25 million are underinsured, meaning they are technically insured with high deductible insurance plans but paid 10 percent or more of their annual income for medical bills. Both the uninsured and underinsured are at high risk for bankruptcy if major health care services are needed. [2] Lack of adequate insurance coverage typically results in delayed or reduced levels of care. A Center for Disease Control report issued in June of 2008 shows state-by-state uninsured rates for the period 2004-2006 for individuals under age 65 ranged from 10.4 percent in Hawaii to 31.9 percent in Texas; for children under 18 years of age, the uninsured rates ranged from 3.7 percent in Massachusetts to 18.7 percent in Texas.[3]

In 2003, despite the fact that so many Americans lack any health insurance coverage whatsoever, a Republican Congress and Republican president approved a major expansion of Medicare beyond its already generous coverage for hospital and doctor visits. For Americans age 65 and over, the Medicare Prescription Drug, Improvement, and Modernization Act (MMA), also

known as Medicare Part D, expanded coverage to include prescription drugs, the largest expansion of Medicare benefits since its inception in 1965.

A few years later, in 2007, another Republican Congress passed legislation under the State Children's Health Insurance Program, or SCHIP, that would have expanded coverage to more than 10 million poor children, an increase in coverage over then current levels of 6.6 million.[4] Republican president George W. Bush (from Texas, the state with the highest percentage of uninsured adults and children in the country), vetoed the bill, only his fourth veto in six years in office [5], stating,

> It is estimated that if this program were to become law, one out of every three persons that would subscribe to the new expanded SCHIP would leave private insurance. The policies of the government ought to be to help poor children and to focus on poor children, and the policies of the government ought to be to help people find private insurance, not federal coverage. And that's where the philosophical divide comes in. [6]

The *New York Times* article by David Stout summarized justification for Bush's veto: "Mr. Bush and his backers argue that the bill would be a step toward federalization of health care, and that it would steer the program away from its core purpose of providing insurance for poor children and toward covering children from middle-class families." [7]

MMA had a projected cost of approximately $400 billion over a ten-year period. [8] SCHIP was budgeted to cost $60 billion over a five-year period. [9] MMA expanded benefits to those who were already covered for doctor and hospital visits. SCHIP would have extended coverage to poor children who then currently had no coverage at all. MMA expanded benefits to a group that was already covered on a public plan, but would require them to choose from among a selection of private prescription drug insurance plans that would administer the new benefits. SCHIP would potentially encourage families to move from private insurance plans to a public one. MMA benefited both older Americans and the pharmaceutical industry, both politically powerful

constituencies, one because they vote in large numbers, the other because it has powerful lobbyists in Washington and directs large amounts of money toward re-election campaigns. SCHIP would benefit poor children, a constituency that is both unable to vote and unable to contribute to political campaigns. To summarize, even though SCHIP was less expensive and would have covered poor children who had no coverage whatsoever, the potential for the legislation to influence some families to shift from private to public coverage was used to justify Bush's veto.

In the end, it was as Bush said, a "philosophical divide", a philosophical divide that has impacted every attempt to enact a universal system of health insurance for the last sixty years, a philosophical divide so onerous that it enabled a president to stand on one side in support of a principle that resists any expansion of government involvement in health care insurance while poor children stood on the other side in the unjust world of the uninsured. The purpose of this paper is to explore the development of this philosophical divide through the history of the United States, propose possible reasons why the philosophical divide is so persistent, and explore how this philosophical divide has prevented our nation from solving the injustices of our health care payment system that drive inequality in accessibility to health care.

The 1940s—the American Medical Association's National Education Campaign

President Harry Truman was the first president to demand national health insurance (NHI) in his State of the Union address in 1949: "In a nation as rich as ours, it is a shocking fact that tens of millions lack adequate medical care."[10] Truman had first proposed the idea in 1945 and the piece of legislation calling for NHI, the Wagner-Murray-Dingell Bill, had been introduced several times since 1943. [11] The idea for NHI had been around since Theodore Roosevelt's campaign for president as a Bull Moose Party candidate in 1912, [12] and national health insurance had been one of three "principle items" of Franklin Roosevelt's concept of social security, but when he signed Social Security Act in 1935, NHI was not included. [13]

Nicholas Laham's book, *Why the United States Lacks a National Health Insurance Program*, provides an excellent account of the American Medical Association's (AMA) strategy to turn public opinion against NHI during the 1940s. When Truman won an upset victory in 1948, the AMA launched its National Education Campaign (NEC) and gathered financial support from its members as well as tens of thousands of business firms and special interest groups to help pay for it. [14] Over 65,000 firms and nearly 10,000 interest groups opposed the proposed program and they spent generously to help defeat the idea. In just two years, between 1949 and 1950, the AMA spent $3.75 million on the NEC, while the business community chipped in another $2 million in other advertising in October of 1950. In contrast, the Committee for the Nation's Health spent only $140,000 in support of national health insurance during 1949 and 1950. [15]

There were two main reasons for the general business community to oppose NHI and to make financial donations to AMA to defeat efforts to implement a government plan. In the 1940s, employer provided group health insurance was considered the best way to provide flexibility to employers to contain their expenses related to health care insurance.[16] If expenses increased, as they were predicted to do, employers could simply reduce the level of benefits or scope of coverage they provided to their employees through the group plans. In contrast, NHI would require some type of mandatory tax to finance it: the Murray-Wagner-Dingell NHI bill proposed a three percent payroll tax on wages up to $4800. [17] Employers had an additional financial incentive to oppose NHI: in 1943, the Internal Revenue Service ruled that employer expenses related to group health insurance were fully deductible as a business expense from the taxable income of corporations. Employer provided group health insurance was an outgrowth of the wage-caps and price controls imposed during World War II: employers were allowed to offer fringe benefits such as health insurance equal up to five percent of wages to reward their employees in lieu of wage increases. [18]

In order to shift public opinion against NHI, it was necessary to develop alternatives to a public plan. The AMA moved quickly through its governing body to develop standards and authorize development of physician service insurance plans, known as Blue Shield. Blue Shield joined Blue Cross, the hospital insurance plans that had been developed in the 1930s and 40s, also with guidance and sponsorship from the AMA. [19] The expansion of private insurance removed the urgency for Congress to act to implement a government program: according to Laham, "Individuals were now assured that they could enroll in private plans with the certainty that their doctors would accept reimbursement from voluntary insurance. This provided individuals the incentives they needed to join private plans." [20]

Public opinion polls conducted during the mid 1940s indicated only marginal support for NHI: the purpose of the NEC was to persuade the public to reject the idea of NHI so that support for a government program would collapse altogether. [21] It did this by creating scenarios of intrusive government intervention into the doctor-patient relationship, appealing to American exceptionalism, and most effectively of all, stoking fears of middle- and upper class Americans by insisting that by reducing financial barriers to health care under NHI, an inevitable reduction in quality of health care would follow.

The NEC involved heavy use of advertising in newspapers and magazines and broadcast of messages opposing NHI. As Laham summarizes: "Given the massive scope of the National Education Campaign, only a small minority of the public could have escaped exposure to the AMA's opposition to compulsory health insurance." [22] Generous resources of funds enabled the AMA to send the 201, 277 doctors in practice in 1949 one million copies of a foldout pamphlet that could be displayed in doctors' offices throughout the United States. [23] A portion of the text read: "Compulsory health insurance is political medicine. It would bring a third party—a

politician—between you and your Doctor. It would bind up your family's health in red tape. It would result in heavy payroll taxes—and inferior medical care for you and your family." [24]

The NEC appealed to Americans' sense of individual responsibility and long history of aversion to involuntary taxes with the use of the theme "The Voluntary Way is the American Way":

> If a family can afford a daily pack of cigarettes or a Saturday night movie, that family can afford to buy voluntary health insurance. The monthly cost is about the same. If the family cannot afford this protection it certainly cannot afford to have another tax—at least twice as high as a voluntary health insurance premium—deducted from its income.[25]

As a result of this campaign, enrollments for both hospital and physician coverage through Blue Cross and Blue Shield increased substantially in the late 1940s. [26]

Timing of the establishment of National Health Service in England on July 5, 1948 helped the AMA make its case that a government run program would certainly lead to reduction in quality of health care. [27] Two representatives of the AMA were given an opportunity to review first hand the operating conditions of the national program--Walter Martin, a representative of the AMA, and former Minnesota Governor Harold E. Stassen. Both returned to the U.S. with scathing reviews. Stassen wrote in one of his three articles published in 1950 in the *Readers' Digest*,

> The British program has resulted in more medical care of a lower quality for more people at higher cost. Any plan such as that now advanced by the President to imitate the British program would be a serious failure, resulting in more deaths, more illness, lower-quality health service and a breakdown of the health professions in America. [28]

Thus the AMA could argue that if financial barriers to access to health care were lowered or removed, this would induce increased utilization of health care services, overburden doctors and lead to the ultimate deterioration of quality of health care--*and* they had a real-life example to back

up their claims. [29] This message resonated with the public: public opinion polls indicated support for an NHI plunged during the late 1940s from 58 percent in 1945 to 36 percent in 1949.[30]

As a final touch, the AMA coined the term "socialized medicine", a term that during this time easily resonated with a post WWII, pre-Cold War America, where anticommunist sentiment was on the rise. [31] This phrase is used to this day to inflame and incite opposition to any kind of reform that is perceived to increase government involvement in the health care system. As a result, NHI proponents have coined new terms, such as 'single-payer' and 'Medicare for all,' in an attempt to avoid Americans' visceral opposition to 'socialized medicine'.

The AMA opposed NHI because of the threat to physicians' incomes and professional and entrepreneurial autonomy, but they convinced the public that they had nothing but the public's best interest at heart. [32] The AMA was successful in thwarting implementation of NHI because it was thorough and chose themes that resonated with Americans' sense of national and individual identity and because it helped guide development of a private alternative to NHI, Blue Cross and Blue Shield.

In reality, it would have been in the best interest of many Americans, especially the poor and uninsured, if the AMA had chosen to improve access to health care for all by increasing its commitment to training more doctors to deal with the predicted increase in demand, to appeal to Americans' can do spirit, sense of justice, the greater common good, and American history of overcoming great challenges. Increasing the number of trained physicians and improving access to health care for everyone would have provided more opportunities for preventative care, which is less expensive in the long-run and leads to improved health outcomes overall.

Instead, the AMA appealed to Americans' fear of government intrusion into the doctor-patient relationship, provoked fear of deterioration of quality of health care, provoked fear of mandated taxes and the inevitability of tax increases to pay for increased demand, and tapped into

Americans' visceral distrust of any idea that could be associated with socialism. It also appealed to American's sense of duty, personal responsibility, independence, and self-reliance by promoting the affordability and dependability of private health insurance Blue Cross and Blue Shield. In essence, it successfully created the perception among the public that implementation of NHI would cause more harm than good.

Why did the themes against government involvement, taxes, and socialism resonate so well with Americans? It is helpful to go further back in American's history to answer this question. The short answer is that they had heard them all before.

The Birth of American Identity—Individualism as the Foundation of Self-Government

Drew Westen is a lead investigator in a team of neuroscientists who have been studying how the brain processes political and legal information and he is also a practicing clinician. [33] In his book *The Political Brain, The Role of Emotion in Deciding the Fate of the Nation,* he opens with this statement: "Our brains are vast networks of neurons (nerve cells) that work together to generate our experience of the world. Of particular importance are *networks of associations,* bundles, of thoughts, feelings, images, and ideas that have become connected over time." [34]

Over time, Americans have come to see themselves as a nation of self-reliant individuals who prefer private initiative and individual responsibility to government mandated programs and taxes that re-distribute wealth and benefits: Americans' have a long history of distrust of government and taxes, developed throughout their history. As colonists of the British Empire, early Americans identified with the English ideal of self-government. When the persistence of a series of tax acts imposed by the British in the 1760s and 1770s began to be perceived as purposeful oppression, "By 1774 the colonists could conclude quite reasonably that the objective of Parliament's colonial laws was to restrict or diminish what they had come to believe were their fundamental rights as Englishmen." [35] Indeed, it was their identity as Englishmen that made them

particularly sensitive to government tyranny and also gave them the sense of confidence that they had a right to defend themselves against that tyranny. As Nora Greenfeld states in her book, *Nationalism*, "The English idea of the nation implied the symbolic elevation of the common people to the position of an elite which in theory made every individual the sole legitimate representative of his own interests and an equal participant in the political life of the collectivity." [36]

Once separation was won, Greenfeld goes on to note,

> Americans pledged themselves, far more explicitly and unambivalently than did the English before them, to universal liberty. The implication of the universalism was pervasive individualism. Universal self-government meant the self-government—that is, the independence—of each individual (Christian European) man, and this national commitment to the liberty of every individual man presented a formidable obstacle for the creation of a single American nation . . . In principle, to carry the ideal of self-government to its logical conclusion, every individual constituted a nation in his own right . . .leaving open the question of what was, or whether there was, *the* American nation. [37]

This pervasive individualism affects the relationship between Americans and their government and their sense of responsibility toward each other. This individualism has persisted because it has been encouraged through the use of political rhetoric that creates *networks of associations*, associations that relate any increase in concentration of central government power, such as socialism and the power to tax, as a threat to the individualistic ideal of self-government.

Republican Party Rhetoric—Centralized Government Power as the Source of Injustice

John Gerring, outlines in his book, *Party Ideologies in America, 1828-1996*, the shift that occurred in the 1920s in Republican presidential campaign rhetoric. A consistent ideology emerged that differed in significant ways from the earlier era of the Republican Party. "[New Republicans] valorized small business . . . equal opportunity . . . and individual freedom. It demonized government, political elites in general, and communism . . ." [38] "[I]n the modern Republican period the work ethic provided another bludgeon to hit over the head of bureaucrats

and the poor, the two sectors of American society portrayed as idle or wasteful (unproductively employed)." [39]

Modern Republicanism elevated the small businessman and "redefined success in bourgeois terms—the possession of a business and the achievement of substantial economic reward." [40] Herbert Hoover, in his acceptance speech for the Republican Party nomination for President in 1928, expresses the essence of the new Republican Party in contrast to socialism:

> The ideal of individualism based upon equal opportunity to every citizen is the negation of socialism. It is the negation of anarchy. It is the negation of despotism. It is as if we set a race. We, through free and universal education, provide the training of the runners: we give to them an equal start; we provide in the government the umpire of fairness in the race. The winner is he who shows the most conscientious training, the greatest ability, and the greatest character. Socialism bids all to end the race equally. It holds back the speedy to the pace of the slowest . . . Equality of opportunity is a fundamental principle of our nation. With it we must test all our policies. The success or failure of this principle is the test of our government.[41]

Other Republican speeches in general praised the "energy, determination and self-reliance" of the American pioneers [42] and emphasized the staples of the Constitution, separation of powers, and the Supreme Court as bastions of "the liberty of the individual." [43] "The freedom of the individual . . . usually referred to freedom from governmental coercion." [44]

In the 1930s, the Republican Party turned from economic nationalism to economic liberalism and discovered the virtues of antitrust legislation, which was according to the 1936 Republican nominee for president, Alfred M. Landon, "laws protecting the little fellow from monopoly." [45] Gerring explains this shift:

> Whereas from the former perspective the concentration of capital was sign of economic vitality, the party now viewed economic growth as the product of competition among small- and medium-sized firms . . .. Identifying themselves with *small* businesses, Republicans charged that this constituency was being victimized by government-imposed

> monopolies and by government itself—the quintessential monopoly. [Thus, in this era] business, in its newfound incarnation as "small", was portrayed as the fragile victim, and government the aggressor. [46]

Landon, in his acceptance speech for the Republican Party nomination in 1936 declared,

> The time has come to unshackle initiative and free the spirit of American enterprise. We must be freed from incessant governmental intimidation and hostility. We must be freed from excessive expenditures and crippling taxation. We must be freed from private monopolistic control. [47]

Calvin Coolidge, Republican presidential nominee in 1924, insisted that "the power to tax is the power to destroy, and . . . the power to take a certain amount of property or of income is only another way of saying that for a certain proportion of his time a citizen must work for the Government." [48]

Thus Modern Republicans, even before Franklin Roosevelt implemented the New Deal and signed the Social Security Act in 1935, had as Gerring says, a "long-standing and visceral dislike of big government." [49] To Modern Republicans, concentrated government power threatened the ideal of self-government by inhibiting individual freedom and the government's power to tax inhibited individual freedom and competitive potential of small businesses. Thus concentrated government power created an injustice that could only be rectified by keeping the role of government and taxes to a minimum. To Modern Republicans, government was the source of injustice—it could not be used to right an injustice. For instance, even as the Great Depression deepened in the early 1930s and distress among farmers and the unemployed increased calls for more presidential action, President Herbert Hoover resisted, asking in a 1931 speech, “Shall we abandon the philosophy and creed of our people for 150 years by turning to a creed foreign to our people? Shall we establish a dole from the Federal Treasury?” [50] To do so in 1931 was unthinkable.

Social Security and the New Deal made the unthinkable a reality and gave Modern Republicans a reason to shift their focus against big government slightly: whereas before the New Deal, "the power to tax" gave government the "the power to destroy", after the New Deal, "the power to tax" gave government 'the power to redistribute wealth'—potentially to those who might not deserve it, potentially inducing dependence on government handouts, which would give rise to ever-increasing tax burdens for hard working, law abiding middle class taxpayers. Eventually, the programs of the New Deal were lumped into the amorphous term 'the Welfare State.' Use of this term allowed future conservative Republicans to separate the popular benefits the public received from the New Deal such as Social Security from the detrimental effects Republicans could claim were happening as a result of citizens receiving a "dole from the Federal Treasury". Republicans could also appeal to American individualism by implying that government mandates and government programs eliminated the opportunity for individual Americans to decide for themselves who was deserving of their help and handed that decision making judgment over to government bureaucrats, who might not make the same decisions using the 'right' set of values that individual citizens would make.

The Subtle Shift—Government and 'The Welfare State' as the Source of Injustice

In 1964, Social Security had been in place for nearly three decades but Medicare was yet to be enacted. An actor from California named Ronald Reagan began attracting the attention of the Republican Party by delivering a speech that bemoaned the high tax burden placed on taxpayers and included stories of how government programs such as welfare were inducing dependence and potentially fraudulent behavior on the part of its recipients. On October 27, 1964, Ronald Reagan gave his "Time for Choosing" speech in a national broadcast on behalf of Senator Barry Goldwater, the Republican nominated candidate for president. This speech is often credited with launching Reagan's political career.

In the speech, Reagan railed against government programs that were aimed at helping the poor and underprivileged--they were inefficient and costly to the taxpayer and were having no apparent effect:

> If the government planning and welfare had the answer and they've had almost 30 years of it, shouldn't we expect government to almost read the score to us once in a while? Shouldn't they be telling us about the decline each year in the number of people needing help? . . . But the reverse is true. Each year the need grows greater, the program grows greater. [51]

Reagan asked the question, "What are we doing to those we seek to help?" He then proceeded to tell the story of a woman with six children who was pregnant with her seventh but had petitioned for divorce from her husband. In her explanation to the judge, she revealed that her husband was a laborer and earned $250 a month, but she had learned that if she divorced him, she could apply for welfare and receive $330 a month—an $80 raise. She had gotten the idea from a women in her neighborhood "who had already done that very thing." [51] Thus Reagan, through use of anecdotes, managed to turn government programs that were supposed to help the poor into government programs that encouraged people to defraud the system. Earlier in the speech, he had declared, "No nation in history has ever survived a tax burden that reached a third of its national income." [51] Thus Reagan created networks of associations between high taxes and the welfare state—the welfare state induced a harmful dependency on the government and potentially induced fraudulent behavior, enabling some people to take advantage of hard working taxpayers. He didn't do this explicitly; he didn't have to. There were others who would emerge in the future, pick up on his underlying theme and exploit it for their own financial benefit.

Rush Limbaugh, conservative affluent radio talk show host, was given the opportunity to give his first "address to the nation" in a speech to Conservative Political Action Committee (CPAC) convention on February 28, 2009. In it he reiterated the typical themes of the Republican

Party and its interest in "equality of opportunity", an ideal that could be realized if only government would get out of the way: "[Conservatives] believe that a person can be the best he or she wants to be if certain things are just removed from the path like onerous taxes, regulations, and too much government."[52] It didn't take long for him to also blame the welfare state for people wasting their opportunities and ruining their own lives: "[Conservatives] look over the country as it is today, we see so much waste, human potential that's been destroyed by 50 years of a welfare state. By a failed war on poverty." [52] Other general themes included: those who have ambition should get to keep the financial rewards that they have earned with that ambition; those who are poor and expect those who have the means to do so to help them only feel that way because government programs have destroyed ambition; there is a battle between "socialism, collectivism, Stalin, whatever you want to call it" vs. capitalism; "[Democrats and liberals] believe inequities and inequalities descend from the selfishness and the greed of the achievers."; tax cuts ended the recession of the 1980s. [52]

It is important to understand how Limbaugh's rhetoric reinforces the 'individual' in individualism, putting more and more distance between American taxpayers and the benefits of government programs that their taxes pay for. In Limbaugh's ideal world, each individual pays only for services he directly benefits from: all others can be labeled "too much government". Since government programs destroy ambition, the corollary is that only the unambitious need and apply for government assistance. Alan Wolfe, author of *The Future of Liberalism* helps explain how this implicitly pits one group of Americans against another:

> Ever since the Elizabethan Poor Law of 1601, there has existed a tendency to divide recipients of public assistance into those who deserve it and those who do not. In modern times, the criterion most frequently used to reinforce the distinction involves taking responsibility for one's actions . . . This way of thinking has special appeal for conservative

> politicians who encourage those near the bottom of the ladder to channel their resentments not against those at the top, but at those in even more desperate straits. [53]

Thus the underlying message of conservative Republican rhetoric such as Limbaugh's is that no self-respecting American should accept or apply for government assistance of any kind, including public health insurance programs, even to protect their own health, because to do so puts an undue burden on others by creating the need for higher taxes and allows conservatives to immediately categorize recipients of government assistance as unambitious, fraudulent, or both.

Taxes and Tax Increases—Simply not an Option, Under any Circumstance

Back in March, Limbaugh summed up the conservative position on income taxes on his talk show: "When you raise taxes on an activity, you reduce that activity. People start doing that activity less. In this case: working. When you reduce taxes on an activity, then that activity increases. When you reduce taxes on income, people start working harder to earn more." [54]

Apparently, the Heritage Foundation doesn't understand this concept as well as Limbaugh does. This excerpt from The Heritage Foundation website, titled "22 Million New Smokers Needed: Funding SCHIP Expansion with a Tobacco Tax" concerns the proposed increase of the cigarette tax in 2007 to pay for SCHIP expansion (the bill that George W. Bush (43) eventually vetoed):

- A tobacco tax disproportionately burdens low-income Americans, lacks long-term stability, and ultimately results in significant shifting of health care costs onto others.
- With the number of smokers already declining, a tobacco tax would further reduce the number of smokers, thereby eroding the funding source.
- To produce the revenues that Congress needs to fund SCHIP expansion through such a tax would require 22.4 million new smokers by 2017.[55]

The article goes on to say,

> Increasing the tobacco tax is an inequitable way to fund SCHIP, because a large portion of the burden would fall on poor and low-income families and the relatively young. Around

> half of smokers are in families earning less than 200 percent of the federal poverty line, so increasing the tobacco tax would burden the families in the income class that SCHIP and Medicaid are trying to help . . . Young adults are also disproportionately impacted by the tobacco tax: Forty-three percent of smokers are ages 24 to 44. Placing the burden of expanding this program on the shoulders of any small subset of the population is *unfair*. Neither low-income families nor young adults should be held responsible for funding an *unnecessary* expansion of SCHIP. [55] [Emphases added]

The article goes on to explain that expansion of SCHIP is unnecessary because President Bush's (43) plan is better: "Rather than lead SCHIP recipients to depend on tobacco revenue, policymakers should enable families to gain greater control over their health care by helping them move into private coverage" by using "Premium Assistance" which is currently underutilized but an "obvious" solution currently "hampered by bureaucracy and red tape"; President Bush's plan would reform the tax code to eliminate tax code inequities and provide all families with a tax incentive to purchase private insurance. [55]

The absurdity of the argument that the number of smokers needs to increase in order for the government to generate enough revenue to pay for SCHIP from the cigarette tax points to the intransigence of the conservatives' anti-tax position. The government should be very interested in *decreasing* the number of cigarette smokers since the Center for Disease control estimates that the total economic burden of smoking is approximately $193 billion a year, $97 billion attributable to productivity losses and $96 billion attributable to health care expenditures. "By comparison, investments in comprehensive, state-based tobacco prevention and control programs in fiscal year 2007 totaled $595 million, approximately 325-times less than the smoking-attributable costs." [56]

Thus the Heritage Foundation could have expressed its outrage that smokers would have to pay higher taxes to fund a program that would not help them quit the poisonous, health-destroying habit, something that a higher tax would give them incentive to do. ("When you raise taxes on an

activity, you reduce that activity.") Instead, they cloaked their support for Bush's ideological proposal--private sector solutions, tax incentives, and protection from government bureaucracy—in the disingenuous guise of concern over the unfairness of a small subset of the population burdened with having to pay for expanded health care coverage for uninsured children. It could also be argued that because of conservatives' vociferous opposition to any tax increases, the only politically feasible option Congress had to pay for the expansion of SCHIP was to impose taxes on a small group of smokers who have no political clout.

To conservatives, the best approach to help hard-working Americans is to keep income taxes low. ("When you reduce taxes on income, people start working harder to earn more.") Not surprisingly, this is their same solution to help the poor: keep taxes down and the economy humming so that poor can find employment, thus reducing their need to apply for government assistance. Thus, to champion for everyone is to champion for the health of the economy. Opposition to health care reforms are justified if they are perceived to be threats to the health of the economy, as we see demonstrated when we look to another episode in the history of health care reform that occurred in the 1990s, an episode that has been eclipsed by the much more prominent and well-known reform attempts of President Clinton's presidency in 1993, but nevertheless allowed Republican's to ramp up their opposition to Clinton's plan well before it was proposed.

President George H.W. Bush's (41) Health Reform Plan, 1992.

In late 1991, a little-known candidate for U.S. Senate in Pennsylvania, Harris Wofford, won a come from behind 40-point deficit, upset victory over his rival, well-known former governor and U.S. attorney general, Richard Thornburgh, by effectively using the health care issue to get the attention of voters. [57] Wofford's victory sent a signal to the President George H.W. Bush (41) Administration that it could no longer ignore the health care reform issue. [58] Additionally,

health care reform was becoming an increasingly dominant issue in the 1992 presidential campaign. [59]

In June 1991, Senate Democrats under the leadership of U.S. Senator George Mitchell, (D-Maine), Senate majority leader, had introduced the HealthAmerica Act. [60] The HealthAmerica Act would implement a play-or-pay plan, where employers would have the choice to either provide their working families group insurance or pay a payroll tax that the federal government would use to cover the uninsured. [61] In addition it would increase the tax-deduction for self-employed individuals from 25 percent to 100 percent of health care costs, add various tax credits for small and medium sized businesses, and establish AmeriCare to replace Medicaid and to cover the uninsured.[62]

The HealthAmerica Act would have imposed a seven percent payroll tax on employers who did not provide group insurance.[63] A study commissioned by the Labor Department and jointly conducted by the Urban Institute and Rand Corporation that was released in early 1992 confirmed this would result in an expansion of public health insurance because employers would opt to pay the payroll tax rather than provide group insurance to their employees.[64] As author Nicholas Laham points out, the HealthAmerica Act could have resulted in a shift where the percentage of those currently insured under private plans, then currently 65 percent of the population, became the percentage of those covered under public health insurance, [65] a potential result that instantly made it politically dead to Republican leaders.

The Health Care Cost Containment and Reform Act (HCCC) was proposed by House Democrats in the summer of 1992. It would have imposed a national health care budget and set reimbursement rates for hospitals, doctors, nursing homes, and prescription drugs, thus garnering immediate opposition from the medical industry. [66] However, according to estimates by the Congressional Budget Office it would have reduced health care costs by $114 billion in 2002. [67]

As U.S. Representative Pete Stark (D-California) put it, by proposing to impose stringent health care cost-containment measures, "we've absolutely solidified our opposition [to the bill]. The doctors don't like it. The hospitals don't like it. The drug companies don't like it, and the insurance companies don't like it." [68]

The play or pay plan won immediate disapproval from the Bush (41) administration. Health and Human Services Secretary Louis Sullivan wrote in an article for the *Los Angeles Times* in January 1992:

> The truth is that "pay or play" would result in the worst of all possible worlds; closed businesses, lost jobs, huge new expenses for both the private sector and the taxpayer, and an enormous new bureaucracy. It would start us down the road to a nationalized health insurance system and lead eventually to the rationing of health care and long waits for medical care—something that the American people won't, and shouldn't, tolerate. [69]

Bush added in his speeches that pay or play would result in "higher taxes, fewer jobs, and eventually a [health care] system under complete Government control." [70] Bush insisted that employers mandated to pay or play would reduce wages or raise prices, lay off workers to relieve themselves of financial burden, resulting in massive unemployment as firms laid off workers or went out of business altogether. He also insisted that play-or-pay would create a "back-door route to nationalized health care," calling nationalized health care "a prescription for disaster" that would result in "long waiting lists for surgery [and] shortages of high-tech equipment responsible for the miracles of modern medicine." [71] He declared, "I am going to fight against a nationalized, socialized medicine approach for this country." [72]

In early 1992, Bush introduced his own health care reform plan. His plan allowed for tax credits or tax deductions, whichever amount was greater, to those not insured to purchase private health insurance.[73] Bush's proposal also called for the establishment of health insurance networks to enable small businesses to pool their resources so they could purchase group insurance at lower

rates.[74] Bush's cost containment aspects consisted of encouraging insurance companies to use standardized forms to process medical claims and encouraging states to revise their medical malpractice laws to discourage use of the legal system by patients. These initiatives would supposedly lead to lower malpractice insurance rates for doctors and eventually less defensive medical practice. [75]

Bush's plan won immediate approval from several prominent Republican Congressional leaders, who immediately set out to denounce the Democratic pay or play plan and support Bush's proposal. Senate Minority Leader Robert Dole of Kansas, warned, "We can help low- and middle-income families buy insurance on the free market, as the President has proposed, or we can bury our businesses under a mountain of new mandates." [76] In contrast, Dole praised Bush's plan,

> By helping individuals purchase health insurance with tax credits, by curbing the explosive costs of medical malpractice, and by helping small businesses to provide coverage for their employees, President Bush has gone a long way toward addressing our health system's major problems. [77]

George Mitchell summed up the Democratic opposition to Bush's proposal succinctly, "It won't control costs or guarantee access to health care." [78] Democratic opposition pointed out the ineffectiveness in providing tax credits or vouchers to encourage families to buy private health insurance: a wide range of annual insurance premiums existed throughout the country, from $7296 in Los Angeles, California to $4242 in Augusta, Maine. The maximum of $3750 tax credits for poor families was not adequate to cover the full cost of private insurance in high cost areas such as Los Angeles. Non-poor and lower-income families would receive tax deductions in amounts, depending on their tax bracket, far below this maximum.[79]

During the presidential campaign between Bush and Clinton in August 1992, Bush outlined the stark differences between his plan and play-or-pay:

> The other plan will dump 52 million Americans into a new Government [health insurance]

> bureaucracy, and my plan will help 90 million American afford private health insurance to take of their health needs. The other plan will slap at least a 7-percent payroll tax on middle-income Americans, and my plan would provide tax relief to Americans to help them pay of their own health care. [80]

Bush charged that play-or-pay would result in a loss of 700,000 jobs and claimed that the cost containment measures of presidential candidate Bill Clinton's plan would result in severe medical rationing of hospital services. "My plan attacks the root causes of rising costs: faulty insurance, too much paperwork, far too many frivolous lawsuits out there." [81] Then he lobbed a final insult: he warned, "If the Governor of Arkansas is elected with a new Democratic Congress . . . within a year the Government will run health care in this country. Our health care system will combine the efficiency of the [Legislative] House post office with the compassion of the KGB." [82] Clinton's response correctly identified the tactic: "The Administration is trying to raise fears rather than solve problems." [83]

Bush lost the election to Clinton, possibly due to his unwillingness to address the issue of health care reform in a meaningful way until the last few months of his presidency. It is difficult to claim however, that his and other Republicans' rhetoric against previous Democratic proposed legislation had no impact on the failure of Clinton to enact health care reform in 1994. It could be said that by introducing health care reform proposals in 1991, the Democrats provided opponents of reform the information they needed to enable them to start collecting ammunition and rhetoric against any type of reform. By introducing the HealthAmerica Act and the HCCC, Democrats demonstrated that they understood the importance of universal coverage and budget controls, but by failing to educate the public about the need for reform, they also demonstrated that they did not have the political acuity or willpower to carry it through. Meanwhile, the Republicans created networks of associations between health care reform and rationing of health care and massive job losses, introduced the ideas that all the health care system really needed was medical malpractice

reform and tax breaks to allow individuals to purchase insurance on their own. Once again, just as in the 1940s, no mandates were needed, least of all mandates called taxes.

Public Opinion Polling—Creating the Perception that Change Will Do more Harm than Good.

In a news piece broadcast on Minnesota Public Radio in April 2008, when the country was still in the early stages of the 2008 presidential election decision-making process, Lorna Benson interviewed Larry Jacobs, professor in political science and public policy at the University of Minnesota's Humphrey Institute of Public Affairs, about an article he wrote for the New England Journal of Medicine concerning health care reform. In the broadcast piece, Jacobs notes that while 90 percent of Americans have supported health care reform for a couple of decades now, Americans are "deeply ambivalent" about what reform might look like and that according to Jacob's research, Americans are "torn between a market approach to controlling costs or government-led effort to make sure everyone gets care." According to Jacobs, "Various factions are able to mine and exploit that ambivalence and those divisions." Jacobs notes:

> When you ask people straight out, 'Do you think the problems today are severe enough that you would support national health insurance financed by taxes?' you will often find majorities in the 55 to 60 percent range. Very impressive. When you follow up and you say, 'Would you support reform if you knew that it might reduce your access to specialists, or waiting lines might go up, or cost-sharing in terms of premiums and deductibles might go up?' you see that support plummet.

The transcript of the interview goes on to say,

> It's debatable whether there would be long waits or limited access to specialists. But as long as there's doubt in voters' minds, the damage is done, Jacobs says. Special interest groups know these poll results inside and out, and use them to their advantage when lobbying against a proposal they don't like, Jacobs says. That makes him very skeptical of claims that health care reform is likely anytime soon.

To get a more hopeful perspective, Ron Pollack, executive director of Families USA, a consumer lobby, is interviewed for the piece also: he insists that the conditions are better for reform than they have been in years, but that whoever wins the presidential election will have to compromise on health care reform and settle on a "second favorite choice" rather than attempt to achieve an outcome that some particular interest group predicts or perceives is the perfect one and is willing to promote aggressively and vigorously. [84]

This example illustrates that in reporting the news or gathering public opinion, the media and opinion pollsters find ways to influence public opinion, to give the public the perception that the choices that are presented to them are the only ones available. This has several detrimental consequences for the integrity of a self-governing democratic system. First, this tactic diffuses public outrage and public will to push political leaders to reform the system. Second, it diffuses the political will of political leaders, who use the results as an excuse to sit back and do nothing. Third, it does not inspire hope in the potential of our system of government that it is capable of overcoming the challenges our country faces or of solving the problems that almost everyone agrees need to be addressed. Fourth, presenting the public with a set of false choices—between status quo and potential for longer wait times or higher co-pays, for instance—then measuring their visceral reaction to these false choices is essentially a waste of effort. We can predict the outcome before we ask the question: visceral reactions to changes predicted to have detrimental consequences will not be favorable.

The AMA's tactic in the 1940s was effective for this reason: the NEC successfully created the perception among the public that implementation of NHI would cause more harm than good, that quality of health care would deteriorate and that taxes to pay for NHI would be onerous, and that there were other better options for America, 'The American Way,' than NHI. This is what the poll is essentially trying to do—by providing a set of false choices it is introducing the idea that

health care reform could do more harm than good.

We have over sixty years of history however, that we can no longer ignore. Rather than present a set of false choices to their respondents, responsible public opinion pollsters need to present the real choices that more and more Americans are already having to make: 'Have you had to make a choice between purchasing health care insurance or food in the last year?' At the state level and federal level, growth rate of health care expenditures threatens to overcome entire federal and states' budgets in a few short years if they are not brought under control. Ezekiel Emanuel points out in his book *Healthcare, Guaranteed, A Simple Secure Solution for America,* that expenses associated with Medicaid and health insurance for state workers already accounts for 32 percent of state budgets and one out of every five dollars of the federal budget goes to Medicare, Medicaid, and SCHIP. [86] At current growth rates, according to the Congressional Budget Office, Medicare and Medicaid will account for 33 percent of all federal spending by 2017, and will account for all federal taxes by 2050. By 2080, Medicare alone will consume all federal taxes.[87]

These are the consequences of status quo. In essence, the status quo is not a sustainable option, either ethically or fiscally. As Rick Mayes notes in his book, *Universal Coverage The Elusive Quest for National Health Insurance,* there are two trends that continue to drive the need for comprehensive health reform: individuals continue to lose health insurance coverage and health insurance premiums and expenditures continue to rise at growth rates that exceed annual inflation rates and annual economic growth rates or GDP. [88] He quotes Policy Director for National Coalition for Health Care, Joel Miller:

> The rising cost of health insurance and the growing number of the uninsured are interconnected. They will continue to affect each other, because the growing number of uninsured patients means that providers will try to pass on those costs to employers and employees who are able to pay. The result will be even higher premium increases, which in turn cause more people to become uninsured. *These problems will not self-correct.*

[Emphasis added] [88]

Hayes follows this quote with the statement, "The logical conclusion is that policy makers will have to correct them." [88]

Government inaction is allowing for greater levels of injustice in our health care system, levels that cannot be alleviated with market-based reforms, cannot be solved by insisting that government's role cannot be expanded or that certain taxes cannot be increased. These are the intractable, rigid political positions that have gotten us to this place, a place where health care costs threaten every other public program and where many families must choose between food and health care, all while living in the richest most powerful nation in history.

Reality of Today's Market-Based Health Care System.

The Private and Non-Profit Health Insurance Industry

To be fair to AMA, when it helped guide the development of Blue Cross and Blue Shield in the 1940s, it had no way of knowing how the non-profit and private insurance industry would evolve over time. When Blue Cross and Blue Shield were first formed, they operated as non-profit organizations state-by-state and grew to control about 75 percent of all private health care insurance in the decade following World War II. They charged the same premiums regardless of age or other risk factors and set premiums through community rating, where the premiums were determined based on the risk characteristics of the entire membership. Ironically, then, "employment-based insurance in the early days created quasi-social insurance [socialized medicine]. [89]

"The Blue Cross experience demonstrated the viability of health insurance to commercial insurers." [90] As a result, for-profit commercial insurers began to aggressively enter the health care insurance market. They offered risk-rating premiums or experience-rating premiums, where they place individuals into groups based on various identifiable personal characteristics, such as age,

gender, industrial occupation, and prior illnesses and assess risk of each category. [91] To entice employers, commercial insurers gave lower rates to employers with younger, healthier workers, thus starting a "vicious, self-reinforcing cycle." As the pools of workers remaining in the Blue Cross plans were less healthy, healthcare premiums necessarily had to increase, providing employers with an even greater incentive to exit the Blue Cross/Blue Shield community pool. [92]

As a result, employment-based insurance has become a terribly inefficient system where millions of employers must purchase insurance on their own from over 850 commercial insurers. This creates administrative costs that are estimated to exceed $120 billion a year, costs that are estimated to be around 10 percent of premiums for those covered through group or employer provided plans [93] and add up to involve 24 cents of every dollar spent on health care. [94]

It is not just the sheer number of insurance companies that creates so much administrative inefficiency; it is also the fact that the several hundred insurance companies create several different types of plans. Each plan provided by an insurer negotiates with each provider and agrees to pay a different price for each procedure. As Uwe Reinhardt, Professor of Political Economy at Princeton explains in an interview with Terry Gross on National Public Radio's Fresh Air: each insurer might have 30 different prices for the same procedure, a different one for each hospital; the same hospital might have five different prices for the same procedure with the same insurance company, a different price depending on the type of insurance policy—Health Maintenance Organization (HMO), Preferred Provider Organization (PPO), or conventional indemnity plan. As a result, prices for a colonoscopy can range from $400 to $3000. The difference is due to the bargaining power of the insurance company, not the actual cost of the procedure. As a result, it is necessary for a large hospital to employ hundreds of people just to handle the administrative nightmare this system creates. As Reinhardt states succinctly, "These people push paper, they do not treat patients."[95] In other words, they do not add medical value to a system that is supposed to

be providing medical care; they just add unnecessary costs.

This system has perverse consequences for the individual attempting to buy insurance in the private market. Those with the least bargaining power pay the highest price for insurance or for medical care--individuals' lack of bargaining power puts them at a huge disadvantage when purchasing individual insurance or bargaining with hospitals for the best price. As a result, high-deductible plans with annual deductibles up to $10,000 are becoming popular because the monthly premium is affordable. This type of insurance plan is usually combined with a Health Savings Account (HSA) where an individual can pay for health care expenditures with pre-tax dollars. With such large deductibles, it is questionable, however, if these plans can really be called insurance, since the policyholders are still responsible for large out-of-pocket payouts.

The Existence of Cost Shifting

Out of financial necessity, Congress changed the reimbursement Medicare payment system in 1983 from a fee-for-service payment system to a prospective payment system (PPS) [96] where diagnostic related groups (DRG) designated standardized hospital rates for a majority of hospital services. [97] As Rick Mayes summarizes, "The change proved effective in slowing Medicare's rate of cost increase. But as an unintended consequence, much of the program's cost reduction came at the expense of hospitals' cost-shifting from public to private patients." [98] In the years following this change, Congress reduced the Medicare's annual DRG-adjusted reimbursement increase. [99] As a result, hospitals began to lose money on Medicare patients and were forced to increase their revenue from other sources—mainly private patients. This led to large increases in private insurance premiums—between 1985 and 1990, these increases were unsustainable rates of between 20 and 40 percent. [100]

Market-based reformers push high-deductible plans combined with HSAs because this type of coverage puts more of the patients' 'skin in the game', supposedly encouraging them to be more

careful with their health care purchases. When individuals who are covered under these types of plans cannot pay the out-of-pocket deductible for care, hospitals must write-off the uncompensated care, attempt to get payment from the individual, more difficult than getting it from an insurance company, and shift the loss to other private patients.

Hospitals also must shift expenses incurred to treat the uninsured. If an uninsured person suffers a hear attack, he is rushed to the emergency room and receives treatment. Some people are uninsured because they cannot afford health insurance, do not work for an employer who provides health insurance or are self-employed. Some people are uninsured because they are risk takers, free riders who do not purchase health insurance even though they can afford it. Whatever the reason, someone has to pay for the $2.4 trillion total health care spending that occurs in this country (in 2007).

The Need for Cost Controls

Total spending on health care in 2007 was $2.4 trillion or $7900 per person and represented 17 percent of the nation's Gross Domestic Product. In contrast, health care spending represents 10.9 percent of GDP in Switzerland, the country with the next highest spending on health care. In Germany it's 10.7 percent of GDP, in Canada it's 9.7 percent of GDP, and in the United Kingdom, it is 8.3 percent of GDP.[101]

Growth in health care costs outpaces inflation rates year after year. In 2007, health care costs grew at a rate of 6.9 percent, twice the rate of inflation. In 2001 and 2002, annual growth rate health spending peaked at 10 percent, while inflation rates hovered around 2-3 percent. [102]

As was pointed out in the introduction, the U.S. is the only rich free-market democracy that does not provide universal insurance coverage of its citizens. In the Frontline Documentary, "Sick Around the World", T.R. Reid visits five other countries to see how they manage to cover everyone and still spend so much less as a percentage of their GDP than the U.S. He summarizes

his findings: "First, insurance companies must accept everyone and cannot make a profit on basic care. Second, everybody is mandated to buy insurance and the government pays the premiums for the poor. Third, doctors and hospitals have to accept one standard set of fixed prices." [103]

As we have seen, in the U.S. the current mix of public and private payers makes it impossible to set prices in one portion, like Medicare PPS reforms attempted to do, without some other sector being affected through the practice of cost-shifting. We also learned earlier how politically unpopular the Democratic HHHC legislation was that proposed global budgeting in 1992.

The Need for a More Transparent Source of Revenue

Both the Wagner-Murray-Dingell bill of the 1940s and the HealthAmerica Act of the early 1990s proposed straightforward payroll taxes to generate revenue to pay for health care. Ezekiel Emanuel has proposed a Value-Added-Tax (VAT), or sales tax, as a more straightforward way to pay for health care expenditures.[104] A tax would assure that everyone contributes so that everyone can benefit.

Today, everyone is contributing somehow to the $2.4 trillion plus this country is spending a year on health care. The lack of transparency as to where that money comes from means most individuals simply don't know how much they are contributing and how unequally shared the burden is. For instance, Medicare and Medicaid are funded in part by a payroll tax, but they are also funded by beneficiary premiums and from general funds of the federal and state governments, meaning that a portion of state and federal income taxes are funding Medicare and Medicaid.

The tax deduction that employers receive related to group health insurance results in a nearly $200 billion loss to the U.S. treasury every year. [105] Loss of revenue from corporations has to come from somewhere else, meaning individual taxpayers, or it contributes further to the budget deficits. Again, this means that a portion of everyone's income tax, as well as payroll taxes they

pay, is used to pay for Medicaid and Medicare.

Both President Bush's (41) and Bush's (43) plans (in response to SCHIP in 2007) called for tax subsidies. Again, this is a complicated way to fund health care expenses, not only for the reasons cited earlier (premiums for health insurance vary widely throughout the country and a one size fits all tax deduction would be unfair) but because they are, as Emanuel points out, an "administrative monstrosity". According to the Bureau of Labor Statistics, nearly half of all American families experience a change of income of more than 25 percent each year. In order to determine the income eligibility of recipients, tax returns are required which aren't filed until the year after income has been earned. If tax returns are not used to determine income, pay stubs and bank statements must be used, which means that validating this information takes an excessive amount of time and money. [106]

The lack of transparency as to where all the $2.4 trillion comes from diffuses public outrage to overhaul the system. Unwillingness to impose a payroll tax or VAT essentially means that lawmakers are unwilling to explain to the American people how unjust the current payment system is. They assume that the American public doesn't already understand the injustice of the current system—that even though we spend more than any other country in the world on health care, we do not insure 100 percent of our citizens or guarantee that they have affordable access to health care when they need it.

What Would Lincoln Do?—The First Republican President

Surely the injustices of our health care system are not as intractable as the institution of slavery was in mid 19th century America. If we examine the remarkable leadership skills of Abraham Lincoln we can see examples of the type of political leadership it takes to lead a country to engage in truly monumental efforts to rid itself of a truly monumental injustice. We can also be reminded that it can be done because it has been done before.

In his book, *Lincoln's Virtues, An Ethical Biography*, author William Miller points out that Abraham Lincoln did not set out to end slavery, as is often assumed. His re-entry into the public sphere was catalyzed by passage of the Kansas-Nebraska Act in 1854. This act allowed the territories of Kansas and Nebraska to use the concept of 'popular sovereignty' to determine if they would enter the Union as free or slave states. The Kansas-Nebraska rendered the Missouri Compromise of 1820 "inoperative", the compromise that had allowed Missouri to enter the Union as a slave state but restricted slavery to those states below the southern border of Missouri. To Lincoln, the Missouri Compromise was effective in containing the spread of slavery, a position that he held and that was politically realistic for the times.[107]

When Stephen Douglas, U.S. Senator from Illinois and sponsor of the Kansas-Nebraska Act returned to Illinois in the fall of 1854 to travel the state and give a series of public speeches, he soon ran into Lincoln. Lincoln had been reading the Congressional reports of speeches made about the act and he had been researching history and philosophy and was prepared to debate Douglas. Over the next six years, he would give several speeches, focusing solely on the issue of slavery, continually adding new information each time, demonstrating great capacity to research and to think through his arguments against the expansion of slavery into the Nebraska Territory.[108]

These speeches contained several important themes that modern day political leaders would do well to learn from.

1. Lincoln researched the issues thoroughly and informed his audience of what he discovered. In 1860, in a speech given in New York City, now known as the Cooper Union Address, he addressed the issue of the Founding Fathers' views on the role of Congress to decide about slavery in the territories. [109] After thorough research and long hours in the state library, Lincoln outlined in his speech how the thirty-nine signers of the Constitution had voted on proposals having to do with slavery in the territories. As was said of the speech afterwards,

> No one who has not actually attempted to verify its details can understand the patient research and historical labor which it embodies. The history of our earlier politics is scattered through numerous journals, statutes, pamphlets, and letters: and these are defective in completeness and accuracy of statement, and in indices and tables of contents.[110]

Lincoln was willing to plow through the historical documents in order to inform his audience and make his point. So few political leaders today are willing to recognize the current reality, much less engage in research to learn the historical context of an issue.

2. Lincoln understood the duality of human nature, that it includes selfishness, but also human sympathy and a natural sense of justice. [111] Lincoln said, "slavery is founded in the selfishness of man's nature—opposition to it in his love of justice." [112]

Lincoln appealed to this natural sense of justice in order to make his case that justice was a necessary foundation to the idea of self-government. It could be argued that the Declaration of Independence has the same duality as human nature, with its 'all men are created equal' appealing to a natural sense of justice and the phrase 'unalienable Rights' to 'Life, Liberty and the pursuit of Happiness' appealing to the self-interested, selfish aspect of human nature. Miller points out that Lincoln began to make the transition in his understanding and treatment of the Declaration of Independence "from treating the Declaration only in its historical context to using it as a moral norm for today." [113] In doing so, Lincoln emphasized the 'all men are created equal' aspect to appeal to the sense of justice in the minds of his audience:

> But if the negro is a man, is it not to that extent, a total destruction of self-government, to say that he too shall not govern himself? When the white man governs himself that is self-government; but when he governs himself, and also governs another man, that is more than self-government—that is despotism. If the negro is a man, why then my ancient faith teaches me that "all men are created equal"; and that there can be no moral right in connection with one man's making a slave of another. [114]

As Miller notes, "Lincoln will say, more than once . . . that slavery has no moral basis whatever and rests exclusively on power and on self-interest." [115]

The same could be said about the injustices that have been perpetrated concerning our health care system, that the power and the self-interest of the AMA and various other special interest groups who are benefiting handsomely with the current system have no incentive whatsoever to address the injustices or the immorality of the system.

3. Lincoln respected his fellow man. He did not create categories of Americans who were unworthy of this respect. "They [the Southern people] are just what we would be in their situation. If slavery did not now exist amongst them, they would not introduce it. If it did now exist amongst us, we should not instantly give it up." [116]

Contrast that attitude with the attitude of our health care system, which creates hundreds of different categories of Americans who are not considered worthy of affordable health care insurance or regular access to health care when they need it. As Uwe Reinhardt, Professor of Political Economy at Princeton, says in an interview for the PBS Documentary, *Sick Around the World*,

> In Canada they say, "You're a human being, period; that's it." ... [In the U.S.] we distinguish between young, between working-age and old, so that's one major distinction, and then between the very poor in various shades: 130 percent of poverty, 150 of poverty, 200, all these different shades of low income. And then you have the broad middle class, and then the very, very rich. [117]

4. Lincoln understood the implications of the moral meaning of America in the history of the world and therefore why the expansion of slavery was a national issue, not to be decided by only a few men in Nebraska. He articulated why the Kansas-Nebraska Act was wrong in allowing the spread of slavery:

> "This declared indifference, but as I must think, covert real zeal for the spread of slavery, I can not but hate. I hate it because of the monstrous injustice of slavery itself. I hate it because it deprives our republican example of its just influence in the world—enables the enemies of free institutions, with plausibility, to taunt us as hypocrites—causes the real friends of freedom to doubt our sincerity, and especially because it forces so many really good men amongst ourselves into an open war with the very fundamental principles of civil liberty—criticizing the Declaration of Independence, and insisting that there is no right principle of action but self-interest." [118]

Lincoln became the first candidate to be nominated for president by the newly formed Republican Party. As Miller notes, "As the Republican Party would develop and Lincoln in 1856 and after would become one of its interpreters, he would regularly describe the party's mission in sharply focused moral terms, and analyze and report the difference between the parties, also sharply focused on the moral difference. The Republicans regard slavery as a moral wrong and will treat it so: the Democrats don't and won't." [119]

There comes a time in history when great political leaders such as Lincoln understand that to counter the natural human impulse to act in self-interest, it is necessary to appeal to a people's sense of justice. The question conservative Republicans of today have to ask themselves is: Can the injustices of the health care system be solved without greater intervention of the government, with its power to tax and power to regulate? To answer yes requires them to believe that the potential injustices imposed by too much government power are greater than the actual injustices of the current health care system. To answer no requires them only to abandon their core principle of limited government power. From all accounts, they have chosen to answer yes to the question. To assess their political viability in the future, the next question must be asked: Do the American people agree with today's Republican Party's assessment and perception of injustice?

Conclusion

Throughout the history of health care reform efforts, proponents of reform have been fighting three main fears. One is fear of change, the second is fear of too much power concentrated in federal government and the power to tax, and the third is fear of being taken advantage of through the tax system and 'welfare state' by those who don't deserve government assistance.

The first fear is human nature: anyone currently satisfied with or benefiting substantially from the status quo (and that includes special interest groups such as the AMA, pharmaceutical industry, and health insurance industry, as well as portions of the general public) is going to be fearful of change if change means they will have to suffer or have to sacrifice something. The second fear arises from Americans' sense of national identity: too much power concentrated in central government control inhibits individual rights and autonomy and potentially threatens the ideal of self-government. The irony here is that the longer conservatives fight tax increases to pay for health care and some type of system of government budgetary or price control of the system (which is what a national system would enable) the more unjust the system will become as health care expenditures spiral upwards out of control. The other irony is that conservatives and organizations such as the AMA lose credibility when their prognostications of gloom and doom happen anyway. (For instance, the descriptions of the Britain's National Health Service that Governor Stassen made back in 1950 could be applied to some parts of the U.S. health care system today.) The third fear arises out of natural human tendency to categorize people on the receiving end of assistance into deserving and non-deserving groups. The irony here is that it costs money to categorize people, into all the subsets of categories that our health care system categorizes them into, creates resentment, fosters distrust and separates us as Americans, reducing our sense of obligation to each other.

All three fears can be overcome by using lessons from Lincoln.

Inform the public of the consequences of maintaining the status quo and appeal to their sense of reason. Change is not always bad. Taxes are not always unjust. Making judgments about the character of those who seek public assistance is destructive to our national character.

Appeal to Americans' sense of justice—America has overcome far greater challenges before. Americans already know how unjust the health care system is. They just have to be reminded that their political leaders understand this as well.

Respect all Americans' right to affordable health insurance and access to health care and stop creating categories of the deserving and undeserving.

Understand that if we cannot stop creating endless categories of Americans, we cannot sincerely consider ourselves *one* American nation, where '*all* men are created equal'.

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