Health Reform Seen as Possible Despite Downturn

BY JOYCE FRIEDEN
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ARLINGTON, VA. — Health care reform can be achieved even in difficult economic times, several speakers said at the annual meeting of the Association of Health Care Journalists.

"I think past history shows us that major social initiatives do happen exactly at a time of major economic crisis," said Dr. David U. Himmelstein of the Harvard Medical School, Boston, and cofounder of Physicians for a National Health Program, a group that advocates for a single-payer health care system. "The New Deal is the outstanding example of that. We're facing a period where our country can't afford the health care system we have at present, and the pain is broadening far beyond the poor into the middle classes. ... That's the condition for political change."

Dr. Himmelstein added, however, that the change probably will not come from Washington. "Political leadership has become the ultimate oxymoron. Demand from outside Washington can actually move this country as well. We had a charismatic president [Kennedy] elected in 1960 who did not have very bold social programs that he proposed, yet he triggered a very broad outpouring of sentiment that succeeded in passing major social initiatives."

Karen Davis, Ph.D., president of the Commonwealth Fund, a health policy research organization in New York, noted that during hard economic times, "people really get worried about health concerns, so the demand for their political leaders to do something about it grows whenever the economy tanks." However, states are less able to meet those increased demands "because sales tax revenues go down and unemployment compensation costs go up."

During the current downturn, federal lawmakers decided to give people tax rebates, but another way to stimulate the economy would have been to invest in the health sector, said Dr. Davis. She criticized the Bush administration's decision to limit funding for the State Children's Health Insurance Program and other programs funded by the states and the federal government during this period. "It was the wrong response to the recession," she said. "We ought to have a countercyclical matching rate built into those programs, so that when the economy tanks, the federal government could pay more of the costs."

Julie Barnes of the New America Foundation, a nonpartisan Washington think tank, agreed that reform is possible during a downturn. Although the recession is going to affect individuals the most, "employers and businesses are in an excellent position to fix it," she said. "They're the ones we need to look at to determine how health benefits fit into health care costs."

Although it might be a scary idea, "what if we took employers out of the health care benefit business and pooled individuals instead?" she suggested. Employers "would have more money because suddenly [they] don't have [health care] tax credits for employers, and the federal government gets back all that money that they're giving to employers right now. And wages can go up." ■

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