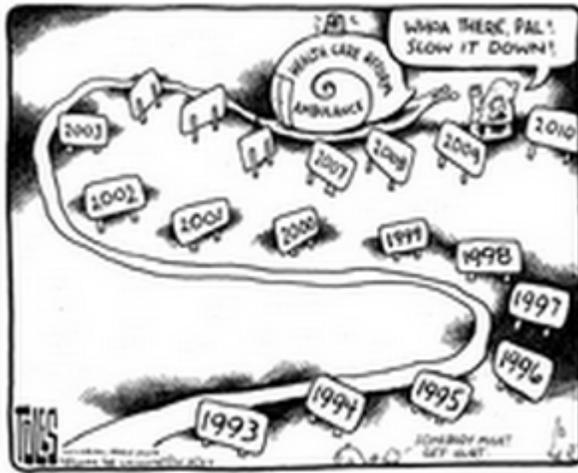


The byzantine politics of U.S. healthcare reform: from an American abroad

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The United States is the only developed country without a universal program of health care coverage. As many as 50 million Americans lack insurance. While many Americans are dissatisfied with the health care system, attempts to change it are politically explosive. Much of it is due to the American propensity for scrapping over trifles and standing on points of procedure which add only to expense and political points, not to justice. But much is due to the continuing “us versus them” mentality in America that destroys any meaningful debate, an area I touched on in an earlier post ([click here](#)).

My perspective is from afar yet connected to the U.S. I am a U.S. citizen by birth, educated in the U.S. and Europe. But my base is Europe and being multi-lingual and holding several nationalities I live and work from several countries. No, Europe is not perfect. Far from it. But it affords me the opportunity to see differently philosophical schools of thought re: the relation between the state and societal needs and culture.

Americans, like fish who don't know they are swimming in the ocean, can't seem to find perspective.

Pretty much everybody who believes that health care should be a human right, not a commercial commodity, and who makes a serious study of the abstract substance of the matter, concludes that the best solution would be (to borrow Obama's words) “what's called a single-payer system, in which everybody is automatically covered.” But, by the same token, pretty much everybody who believes the same thing, and who makes a serious study of the concrete politics of the matter, concludes that a change so sudden

and so wrenching --- and so threatening to so many powerful financial and political interests --- is beyond the capacities of our ramshackle political mechanisms.

In other free countries, legislation, social and otherwise, gets made in a fairly straightforward manner. There is an election, in which the voters, having paid attention to the issues for six weeks or so, choose a government. The governing party or coalition then enacts its program, and the voters get a chance to render a verdict on it the next time they go to the polls. Through one or another variation of this process, the people of every other wealthy democracy on earth have obtained for themselves some form of guaranteed health insurance or universal health care.

And then there is the “American way” which is ... shall we say ... more exciting. For Americans, an election is only the opening broadside in a series of protracted political battles of heavy artillery and hand-to-hand fighting. A President may fancy that he has a mandate (and, morally, he may well have one), but the two separately elected, differently constituted, independent legislatures whose acquiescence he needs are under no compulsion to agree. Within those legislatures, a system of overlapping committees dominated by powerful chairmen creates a plethora of veto points where well-organized special interests can smother or distort a bill meant to benefit a large but amorphous public. In the smaller of the two legislatures—which is even more heavily weighted toward conservative rural interests than is the larger one, and where one member may represent as little as one-seventieth as many people as the member in the next seat—an arcane and patently unconstitutional rule, the filibuster, allows a minority of members to block almost any action. The process that results is less like the Roman Senate than like the Roman Games: a sanguinary legislative Coliseum where at any moment some two-bit emperor is apt to signal the thumbs-down.

These perverse (if time-honored) institutional arrangements (and the above accounting only scratches the surface of their perversity) are the principal cause of America’s sad health-care exceptionalism. Americans, polling shows, have long been as receptive as Europeans to the principle of universal health care. Six times since 1948, we have elected Presidents committed, at least on paper, to that principle. There have been gains, small (under Clinton, the State Children’s Health Insurance Program, or SCHIP) and not so small (under Johnson, Medicare, for the aged, and Medicaid, for the very poor). Yet forty-six million of us—a number roughly equal to the population of half the states of the Union—have no health insurance at all, and, as President Obama noted during his prime-time press conference last week, fourteen thousand more are losing theirs every day. Many millions of us have coverage that is inadequate, and almost all of us live with the well-founded fear that unemployment, a change of job, or striking out on one’s own to freelance or start a business could cost us our coverage and leave us open to medical and financial catastrophe. Even David Brooks (no liberal, he) wants fundamental change ([click here](#)).

And then there is the so-called “endowment effect”: the deep-seated psychological biases that make people resistant to change recently explained by James Surowiecki in the *New Yorker Magazine* ([click here](#)). Surowiecki says:

Most of us, for instance, are prey to the so-called “endowment effect”: the mere fact that you own something leads you to overvalue it. A simple demonstration of this was an experiment in which some students in a class were given coffee mugs emblazoned with

their school's logo and asked how much they would demand to sell them, while others in the class were asked how much they would pay to buy them. Instead of valuing the mugs similarly, the new owners of the mugs demanded more than twice as much as the buyers were willing to pay. The academics Ziv Carmon and Dan Ariely showed the same thing in a real-world experiment: posing as ticket scalpers, they phoned people who had entered a raffle to win tickets to a Duke basketball game. People who hadn't won tickets were willing to pay, on average, a hundred and seventy dollars to get into the game. But those who had won tickets wanted twenty-four hundred dollars to part with them. In other words, those who had, by pure luck, won the tickets thought the ducats were fourteen times as valuable as those who hadn't.

What this suggests about health care is that, if people have insurance, most will value it highly, no matter how flawed the current system. And, in fact, more than seventy per cent of Americans say they're satisfied with their current coverage. More strikingly, talk of changing the system may actually accentuate the endowment effect. Last year, a Rasmussen poll found that only twenty nine percent of likely voters rated the U.S. health-care system good or excellent. Yet when Americans were asked the very same question last month, forty eight per cent rated it that highly. The American health-care system didn't suddenly improve over the past eleven months. People just feel it's working better because they're being asked to contemplate changing it.

The American health-care system is bloated, wasteful, and cruel. We know that. We've read the 8 gazillion blogs, posts, articles that detail the problems. Under the health-insurance-reform package now being bludgeoned into misshapen shape on Capitol Hill, it will still be bloated, wasteful, and cruel—but markedly less so. The House bill, for example, would make basic coverage available to tens of millions who now have none. It would curb the practice of denying insurance to persons with “preexisting conditions.” (We're all born with a preexisting condition: mortality.) It would make insurance coverage portable, which would be a boon for both individual careers and the wider economy.

Even one of these things would be a colossal improvement on the status quo.

The most consequential opposition to the reforms now under consideration is coming from those who protest that the plan does too little to control costs. To the extent that their concern is genuine, and not just a reflexive deference to wealth, they have a point. But it's a minor point. The prospective reform has more cost-containment provisions than past attempts. But it's a dangerous game. Even if they're right that reform would do too little about costs, the alternative—which, as the President has repeatedly pointed out, is the status quo—would do nothing.

Ultimately, real cost control will require a strong push away from fee-for-service medicine. In Massachusetts, which three years ago enacted its own version of near-universal health insurance, the cost of expanded coverage has created pressure for just such a push. That state's experience suggests that the cost problem, too, will be easier to solve under a reformed system, with all its other benefits, than under the one we have now.

I blame the Democrats for not proposing a unified, cohesive program. But the Republican opposition to reform: in a word, nihilistic. They just want to get back into power at any and all costs. Much like they govern. The lies, distortions and political

scare tactics that Republicans have used to poison the national debate over health reform is astounding. (Well, ok, not astounding. They are Republicans. That's what they do). William Kristol (editor of the Weekly Standard) offered the same advice he did sixteen years ago, when he masterminded the death of the Clinton reform effort: "Go for the kill." Senator Jim DeMint, of South Carolina, elaborated on the theme. "If we're able to stop Obama on this, it will be his Waterloo," DeMint said. "It will break him." Funniest line – and at the same time most pathetic line – in last night's speech by Obama to the Congress was not by Obama but by Representative Joe Wilson, Republican of South Carolina, who yelled "You lie!" This coming from a Republican after 8 years of a Bush/Cheney administration that lied at every opportunity and needlessly cost thousands of lives. But there is a strategy here, to delegitimize Obama as a President.

And those brainwashed by the rightwing wackaloons into fearing "socialism" and "Obamacare": you really think the system you have now is somehow "The Best Health Insurance in the World"? Oh, and you are against "socialism"? Great. Go and live without Medicare, municipal sewer systems, roads that are maintained by government funds, running water, fire departments, police departments, national/state/city parks, public libraries, and other such disgusting features of life under brown shirt Obamcare socialism. Those other American "commies" will hunker down together in their socialist nightmare and try to craft a universal health care system to go along with the rest of the evil socialist empire.

Washington, it seems, is still ruled by Reaganism --- by an ideology that says government intervention is always bad, and leaving the private sector to its own devices is always good. Call me naïve, but I actually hoped that the failure of Reaganism in practice would kill it. Shouldn't the current financial crisis have made you say "*Duh! Private sector ain't no good, Ma!*" There's a lot to be said about the financial disaster of the last two years, but the short version is simple: politicians in the thrall of Reaganite ideology dismantled the New Deal regulations that had prevented banking crises for half a century, believing that financial markets could take care of themselves. The effect was to make the financial system vulnerable to a 1930s-style crisis --- and the crisis came.

But I digress.

Fundamental healthcare reform will never come to my fellow Americans. Entrenched and powerful economic and financial interests (insurance companies, pharmaceutical companies, etc.) will prevail. Because in the end that is what America is about: money. The U.S. was once a nation of thinkers, of intellectuals, of idea men and women. But that has long passed. Economic institutions and financial traditions became our dominant cultural force. Finance, money and economic success became our lodestars. We invented the concept "monetize" and we apply it with a vengeance. We know the price of everything, the value of nothing. Now we Facebook and Twitter ourselves to death (79% of all Twitter traffic is now commercial/business promotion), live on sound bites, and have developed knee-jerk reactions. Few of us read books, develop thought. And I believe the advancing technology of which we are so proud has accentuated an "us vs. them" mentality that has destroyed the U.S.

Obama's Presidency would survive the murder of health-care reform. He will be greatly weakened, with consequences for his ability to meet many other urgent challenges. But it is a non sequitur. The Obama administration was a failed Presidency at the start. The

problems he inherited --- America's problems --- health care, Iraq, Afghanistan, financial debt, etc., etc. – are intractable, unsolvable because the resolve to fix them is not there. The American political system will not permit it. The need to confront the problem, make accommodations, make compromises are not there. Societal needs will always take second seat to the power of money, our dominant cultural force.

In the end, this is just an academic exercise for me. As *pater familias* I moved those under my protection to Europe where success, safety and security is possible --- where work/life balance really exist --- and because the social fabric, societal needs are treated with seriousness and vigor.

No, Europe is not perfect. Far from it. But we all have 100% health coverage, even those members of society who would fail coverage in the States. And at nominal cost (yesterday's full eye exam was the equivalent of \$50; last summer's CAT scan for a family member was \$150 and fully covered. All for about \$600 a quarter). And yes, gas prices are through the roof: \$6 a gallon due to taxes. But they subsidize university which is basically free so our children graduate without \$100,000+ in loans. And where I live (Belgium) banks are not permitted to issue credit cards so everybody lives within their means. It's why Europe "suffered well" in the financial crisis. Oh, and did I mention the great health care?

I really don't mean to make light of this. The idealist in me (the one strand left) still asks: how is the U.S. is the only developed country without a universal program of health care coverage? How can 50 million Americans lack insurance? You can go to war in a shot and spend billions of dollars. You can't sit down and fix this? Then Sarah Palin in 2012!