

BOOGEYMEN AND FURPHYS

The biggest boogeyman that Republicans can throw at President Obama's health care reform plans is that what Americans will end up with is socialised medicine - which is code for no choices, decisions made by Government, and rationed services.

Such rhetoric flies in the face of the present situation in the US where around 50 percent of Americans currently have their health care paid for by the government, decisions on what private insurance will cover are generally made by faceless and nameless administrative personnel with no attention to individual need, and health outcomes are poorer than those in Australia and most OECD countries.

The Democrats' House Bill and the Bill from the Senate HELP Committee both require the establishment of a government health insurance plan – the so-called public option. The rationale for this proposal is not unlike that originally made for Medibank Private. President Obama says “.. *one of the best ways to bring down costs, provide more choice and assure quality is a public option that will force insurance companies to compete and keep them honest.*”

The Community Health Insurance Option would be run by the Department of Health and Human Services. The government would pay for the first three months of claims as a way to capitalize it; this would be a loan to be repaid over time. For the first two years and longer if necessary, this public option would also qualify for “risk corridor protections” which offset or reclaim excessive losses and gains which could result during the start-up period. Subsequently, its premiums would be set to make it self sufficient.

The public option would be one of the choices available to purchasers of health insurance. It would follow the same rules as private plans for defining benefits, protecting consumers, and setting premiums that are fair and based on local costs.

It will make health care more affordable by nationally pooled purchasing power, the ability to have payment policies that promote quality and best practice, and lower administrative overheads.

This proposal, considered an essential element of health reform by the President and leading Democrats, has become the focus of the conservatives' attack on the current Bills.

The health insurance industry has supported health care reform, but is implacably opposed to the community health insurance option, claiming they will be unable to compete and it will destroy them. For all but a few Republicans, the issue is seen as a deal breaker.

Earlier this week I was at a breakfast meeting with a large number of patient groups, and someone from one of those groups described how their plea for letters to Congressmen in support of health care reform had engendered a surprising backlash from some members. One constituent, a veteran who presumably receives his care from the federally-funded Department of Veterans' Affairs, wrote that he *"lost his legs fighting against communism and he wasn't going to support communism now, here in the US."*

This type of approach, based largely on fear of the unknown and concerns about losing current benefits, fails to acknowledge that in many areas of American commerce, private and government programs comfortably co-exist. Public and private schools and universities, FHA insured loans and non-FHA loans, Social Security and private pensions - all have long thrived side by side.