



Weekly Checkup

Maybe You Can't Keep Your Plan After All

CHRISTOPHER HOLT | JUNE 28, 2019

This week saw Democratic presidential contenders square off in a two-day debate format intended to accommodate the staggering number of declared candidates. **There are certainly many takeaways from the debates, and key among these is the continuing erosion of support for private health insurance on the left.**

I see two ways to look at how the health care questions played out at the debates. The first would be to observe, correctly, that the **Democrats seeking the White House are quite divided over how exactly to approach health policy.** There were substantial differences about the relative merits of private insurance and what type of role it should play going forward. But the second would be to note that **there was real debate among mainstream Democratic candidates about whether or not private health insurance should continue to exist at all.**

In 2008, Barack Obama was arguably the most progressive candidate (or at least viable candidate) on the issue of health care. 2008 Obama might have looked like a rightward outlier on the issue of health care this week. **Compared to the policy ideas liberals are debating now, President Obama's signature legislative achievement, the Affordable Care Act, looks practically milquetoast.**

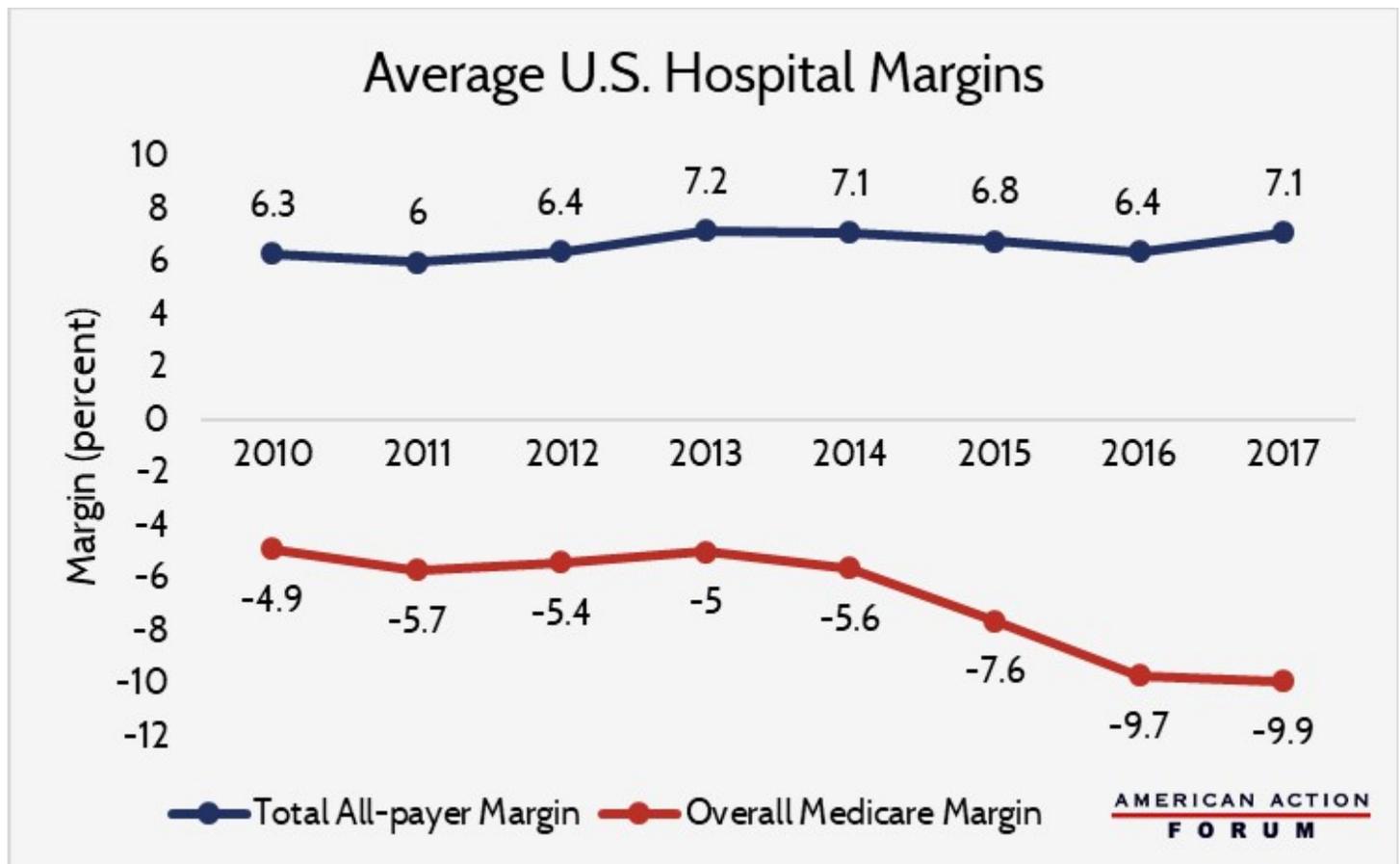
The danger for progressives here, and for those seeking to move into the Oval Office, is getting too far in front of the American people on the issue of single-payer, government run health care. Polling has consistently shown Americans to be [hesitant to embrace](#) single-payer health care, especially when they realize they would lose their insurance. Not all Democrats appear blind to the political danger: As the Weekly Checkup has [previously noted](#), **despite having won back control of the House of Representatives while campaigning on Medicare for All, the House majority has been slow to take any substantive action in that direction. After all, going from “if you like your health care plan you can keep your health care plan” to advocating for no more private health insurance in just shy of a decade is pretty astounding—and politically risky.**

Perhaps Senator Amy Klobuchar—speaking of Senator Bernie Sanders' Medicare for All bill—[summed it up best](#) in the first debate: “I am just simply concerned about kicking half of America off of their health insurance in four years, which is exactly what this bill says.” **Not all Democrats are embracing the end of private health insurance, but the fact that this conversation is happening on the presidential primary debate stage is startling nonetheless.**

CHART REVIEW

Ryan Haygood, Health Care Policy Intern

The Affordable Care Act sought to finance coverage expansion in part by cutting payments to hospitals in Medicare Part A in order to adjust for projected gains to hospital productivity, as a [Brookings event](#) highlighted this week. This and other payment reforms have substantially reduced hospitals' profitability under Medicare, with their [margins dropping](#) from negative 5 to about negative 10 percent between 2013 and 2017. Meanwhile, despite the fact that Medicare and Medicaid pay for [the majority](#) of all hospital services, overall hospital margins [remain strong](#), averaging 8 percent, due to [high rates](#) for private insurance. (Of course, there are exceptions: [small, rural hospitals](#) often face negative margins and are closing at an increasing rate.) Although many rightly worry about excessive spending in the private market, Medicare-for-All, which fixes *all* hospital payments to Medicare rates, would likely significantly diminish medical access for everyone by putting many hospitals out of business.



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