Weekly Checkup

One Big Obstacle to Medicare for All

CHRISTOPHER HOLT | MAY 31, 2019

Memo to advocates for any major legislative effort aimed at health care: You need industry buy-in. The history of the last 25 or so years of health policymaking bears this out. You can make plenty of arguments about presidential leadership, legislative approach, etc. But experience indicates that without backing, or at least neutrality, from industry, your health policy ideas aren't going to flourish.

Compare President Clinton's health reform initiative in 1993-94 and President Obama's push for the Affordable Care Act (ACA). In the 1990s, the Health Insurance Association of America (now America's Health Insurance Plans) ran the famous Harry and Louise ads, where a middle-aged couple described the myriad ways that Clinton's health proposal would hurt average Americans. The ads receive more than their fair share of credit for derailing that effort, but they certainly played a role. During the effort to pass the ACA, however, industry was broadly supportive, and the outcome was drastically different.

There are other examples, too. Health insurers and drug manufacturers were supportive of the successfully enacted Medicare Modernization Act, which made changes to Medicare Advantage and established the Medicare Part D program. More recently, industry was publicly ambivalent at best toward unsuccessful efforts by the Trump Administration to roll back the ACA.

This week, *Politico* reported on growing pushback from hospital systems on Medicare for All proposals. Hospitals can be an extremely effective lobby on health policy: All senators and most congressmen represent at least one hospital, and in many cases the hospital is one of the largest employers, if not the single largest. Hospitals are particularly concerned about moves to expand programs like Medicare in ways that crowd out private insurance because federal programs typically reimburse well below private coverage.

Politico noted that the Partnership for America's Health Care Future—whose membership draws from virtually every segment of the health care sector—has spent $68,000 on a social media campaign aimed at policymakers in Washington, and plans to spend at least six figures on the effort. Those figures might not sound dramatic in and of themselves, but the spending represents open hostility toward the health policy agenda being pursued by most Democratic presidential candidates, and that opposition alone is significant.

Similarly, the *Hartford Courant* reported Wednesday that efforts to enact a state public option in Connecticut have been derailed after Cigna threatened to relocate their corporate headquarters if the bill went through. While there seems to be a fair amount of disagreement about whether Cigna actually issued such a threat—the insurer denies the claim—all parties agree that Cigna was strongly opposed to the public option and its opposition was influential, even if not determinative.

Broadly, the health industry is concerned that moves toward single-payer or a large federal role in paying for health care will lead to reductions in reimbursement. For many hospitals, there are questions about financial viability in a Medicare-for-All system. For drug manufactures, there are concerns about the increased likelihood

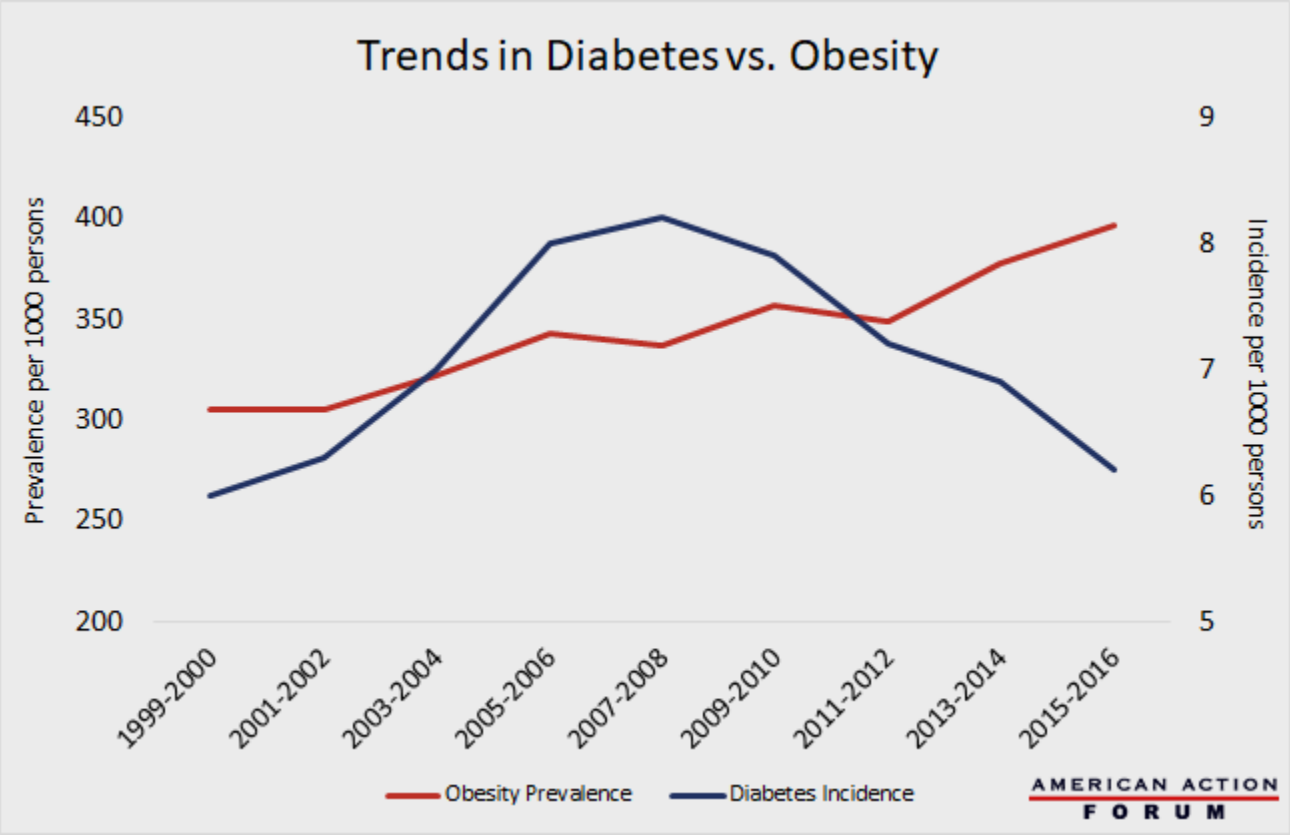
of government price setting and an erosion of the patent system. For insurers, there is uncertainty about whether there would be room for them at all in such a system.

Recent history should lead policymakers to be wary of alienating industry. Successful policy efforts typically require buy-in from insurers, providers, and drug manufactures. If the health industry consolidates its open opposition to progressives' health care policy objectives, the path forward will be immeasurably more difficult.

CHART REVIEW

Kate Dixon, Health Care Policy Intern

A new study published in the British Medical Journal shows a 35 percent decline in new diabetes diagnoses in the United States since 2009. Although the study indicates that trends in risk factors (such as added sugar intake, sugary beverage consumption, caloric intake, and physical inactivity) have all decreased or plateaued, consistent with diabetes incidence, specific causes of the decrease in incidence could not be determined. The study does suggest that this decrease in diabetes is a result of change in awareness, detection, and diagnostic practices. These trends are encouraging; however, prevalence of obesity, a major risk factor of diabetes as well as many other serious diseases and health complications, continues to rise. Additionally, unchanged pre-diabetes rates (34 percent of U.S. adult population) and the still-high overall prevalence of diabetes (8 percent of the U.S. population) indicate the disease is still an incredibly large burden, costing the U.S. $327 billion in 2017.



WORTH A LOOK

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Wall Street Journal: New York State Lawmakers Weigh Single-Payer Health Bill