

## Socialist Medicine Back With a Vengeance

By Philip Klein

*Summary: The Obama administration hopes to impose universal government-run health care on Americans, but unlike in 1994, it now has a receptive audience in industry. With premium costs skyrocketing, many businesses are hoping to cut a deal.*

In 1993 the initiative went down in flames. Democratic lawmakers tried to create a national universal health care program, and they failed miserably. Americans were justifiably concerned that the federal government would create a bureaucratic monster that would endanger health care as Americans knew it.

For more than a decade after HillaryCare was abandoned in 1994, Democrats were shy about making another attempt to enact universal health care. As recently as 2004, Sen. John Kerry (D-Massachusetts) ran for president without offering a plan to achieve universal health care. But times have changed. In last year's election, every major Democratic candidate pushed a plan that would incrementally bring socialist medicine to the United States.

Universal healthcare is alive and well because costs continue to skyrocket and Americans are fed up with dealing with insurance companies. And there's ample reason to believe that this time around, the Democrats may achieve their health care goals.

The main difference: In 1993-1994, the Clintons made so-called health care reform a top-down effort. Hillary Clinton and her collaborator Ira Magaziner (a business consultant with little governmental experience)



**Former Sen. Tom Daschle (right) may be out of the picture as President Obama's point man on universal healthcare, but that won't stop the Obama administration from trying to nationalize America's health care system.**

kept Congress out of the drafting process and mobilized an "Interagency Health Care Task Force" instead. It was composed of 630 people and broken into 34 "working groups" that produced a highly technical 1,342-page proposal that was plopped down before Congress and the American people.

The Clintons failed to generate grassroots enthusiasm for the plan, and businesses and insurance industry groups actively campaigned against it.

This time the prospects look different.

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President Obama plans to build on the way he mobilized millions of volunteers and small donors in his successful election campaign, and his administration will use similar strategies to sell its health care proposal. A patchwork of progressive organizations is poised to unleash its activists to rally grassroots support for any health care legislation. And, perhaps most importantly, business groups will be much less hostile – if not openly supportive – of the effort to radically transform health care.

## A Fatal Blow to the Conservative Movement?

The stakes could not be higher for advocates of smaller government. Putting the government in charge of the nation's \$2 trillion health care system—which accounts for one-seventh of the nation's economy—would be the coup de grace to small government conservatism, because the government benefits could never be undone. In theory, a future conservative government could lower tax rates, chip away at some excessive spending, or roll back regulations. But it would be politically impossible to cut programs that would allow liberal activists to claim that conservatives were taking health care away from Americans.

It's worth recalling that Ronald Reagan came to power on a pledge to reduce the size and

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scope of government, but made no dent in big box entitlement programs such as Medicare and Medicaid. And in Britain, no Conservative government has ever dared to touch its public medical system, the National Health Service, and any effort to cut taxes in Britain is complicated by the tremendous obligations the system imposes on the government.

Similarly, if the federal government took over America's health care system, the state would claim an obligation to intervene in other areas not immediately obvious. For instance, many nanny-state laws that annoy small government advocates – such as state and local bans on smoking and trans fats – are justified on the theory that taxpayers must ultimately bear the burden for increased Medicare and Medicaid health costs. If the government's role in health care increases dramatically, the state will have even more reason to impose draconian rules on Americans in the name of public health.

One of the hallmarks of a free society is the right of individuals to regulate their own behavior by making assessments of its risks and rewards, but when government controls the health care system, it adds a societal dimension to individual risks, thus giving the state more control over our actions. If your neighbor is a morbidly obese smoker and you're subsidizing his health care, then you'll be much more likely to support intrusive measures to curb his self-destructive habits.

Even national security hawks and social conservatives have a dog in this fight because health care spending will eat into the defense budget and the federal government will be granted power over life and death medical decisions. It's happening already in states with government health care. For example, last year in Oregon a man with prostate cancer was denied chemotherapy treatment by the state-run health plan, but the state offered to pay for doctor-assisted suicide.

## The Daschle Delay

In the days following last November's election some conservatives took the view that it didn't matter what Barack Obama's liberal heart desired. His hands would be tied by the rising cost of the nation's economic crisis. But all of that talk has dissipated – or at least should have dissipated – when President

Obama tapped Tom Daschle to serve not only as secretary of Health and Human Services, but as director of the newly created White House Office of Health Reform. The former Senate majority leader, then a senior fellow with John Podesta's Center for American Progress, was tasked not merely with running the mammoth HHS, but with using his legislative skills to shepherd any health care package through Congress. The White House post was a largely symbolic position, but one that carried a clear message: health care "reform" was going to be a top priority for the new administration.

"Now, some may ask how at this moment of economic challenge we can afford to invest in reforming our health care system," President Obama said at the news conference in which he announced the Daschle appointment. "And I ask a different question. I ask: how can we afford not to?"

Rather than consider himself hamstrung by the financial crisis, Obama argued that now is the time to act, because cash-strapped businesses are struggling with health care costs and high unemployment is swelling the ranks of the uninsured. His response is not unlike Franklin D. Roosevelt's, which exploited economic anxiety to pass the Social Security Act in 1935, even though the first checks weren't mailed until 1940. "It's not something that we can sort of put off because we're in an emergency," Obama said. "This is part of the emergency."

The emergency was delayed a bit when Tom Daschle withdrew as HHS nominee on February 3. He had embarrassed the administration by admitting that he hadn't bothered to pay more than \$120,000 in taxes related to undeclared limousine and chauffeur services. With his exit President Obama will be hard-pressed to find somebody who combines knowledge of health care policy with practical legislative talents.

"It really sets us back a step," Sen. Dick Durbin (D-Illinois) told the AP. "Because he was such a talent. I mean he understood Congress, serving in the House and Senate he certainly had the confidence of the president."

Daschle spent the last few months laying the groundwork for his health care push. He trav-

eled around the country to host health care discussions aimed at generating grassroots support, and recorded videos for the change.gov transition website. There's no doubt Daschle's self-immolation complicates the Obama administration's ability to strike while the iron's hot. Problems of personnel add an extra layer of uncertainty to a cause that has eluded liberals since Harry Truman was president. But the administration—and the nonprofit advocacy groups that want universal healthcare now—won't give up because the cause has become too important in the liberal policy agenda.

## **The Advocacy Campaign for Government Medicine: Health Care for America Now—HCAN**

President Obama's \$800 billion-plus economic stimulus package, approved by Congress on Feb. 13, contains roughly \$160 billion in health care related provisions, including a subsidy for health care benefits for the unemployed, an increase in Medicaid assistance to states, and funding for medical information technology. These are described euphemistically as "down payments" on health care "reform."

In the election campaign, Obama used text messaging, social networking websites, and house parties as a way to harness the tremendous enthusiasm his candidacy generated. As president, he's made it clear that he will employ a similar strategy to achieve his policy goals.

During the transition, Obama previewed how this strategy may be employed in the fight over health care. Obama's transition website, change.gov, hosted discussions of health care and solicited opinions on how to fix the system, and it encouraged Americans to host their own events.

"Sign up to lead a health care discussion over the holidays," read one appeal.

"Health care is a top priority for President-elect Obama and for Senator Tom Daschle, Secretary-designate for Health and Human Services (HHS)," it explained. "They both are committed to health care reform that comes from the ground up – that's why this holiday season, we're asking you to give us the gift of your ideas and input.

"Sign up to lead a Health Care Community Discussion in your home, community center, or even a local coffee shop, anytime until December 31st.

"We'll provide you with a special Moderator's Guide that will give you everything you need to get the discussion going. Secretary-designate Tom Daschle will even choose some discussions to attend in person."

The appeal was complemented with a YouTube video of Daschle and a set of frequently asked questions to assist anybody who chose to organize an event. Americans are likely to see a lot more of this once the Obama administration begins crafting a formal proposal.

Now that he is president Barack Obama can expect even more help from labor unions and liberal groups, including some formed for the sole purpose of mobilizing grassroots support for universal health care.

One such group that hopes to play a key role in the effort is Health Care for America Now (HCAN), a coalition formed last July with the stated intention of spending \$40 million on grassroots organizing and multi-media campaigns. The founding steering committee for the organization is comprised of 13 groups: Association of Community Organizations for Reform Now (ACORN), the American Federation of State, County and Municipal Employees (AFSCME), Americans United for Change, Campaign for America's Future, Center for American Progress Action Fund, Center for Community Change, MoveOn.org, National Education Association, National Women's Law Center, Planned Parenthood Federation of America, Service Employees International Union, United Food and Commercial Workers, and USAction. Later additions include the Children's Defense Fund, Leadership Conference on Civil Rights, and the National Council of La Raza. Remember these names: All are likely to be in the vanguard mobilizing support for left-wing activism during the next four years.

Each of these steering committee members made an initial contribution of \$500,000 to help form the umbrella group, which also received a \$10 million grant from the Atlantic Philanthropies (assets: \$3.3 billion

at the end of 2007). Chuck Feeney, an Irish-American businessman who made billions as co-founder of Duty Free Shoppers, founded the Atlantic Philanthropies in 1982. On its website, the charity describes itself as, "a limited-life foundation, one that is committed to spending its entire multibillion-dollar endowment by 2020, in order to make greater and more immediate improvements in the world." The president and CEO of the Atlantic Philanthropies is Gara LaMarche. He was previously director of U.S. programs for the Open Society Institute, the philanthropic foundation founded and chaired by George Soros.

HCAN is a section 501(c)(4) issue advocacy organization with ties to the 501(c)(3) Health Care for America Education Fund, a project of the far-left Tides Foundation. Tides has granted more than \$400 million to progressive causes since 2000.

In addition to the core groups, HCAN has rallied support from 100 other national organizations, as well as hundreds of state and local groups, including unions, community activist organizations, nurses groups, faith-based organizations, civil rights groups, liberal websites, and think tanks.

"The heart and soul of our campaign lies outside the Beltway where millions of Americans are mobilizing at work, at home, in their neighborhoods, and online to win quality, affordable health care we all can count on," said Richard Kirsch, national campaign manager for HCAN. Kirsch, a veteran healthcare activist, was formerly executive director of Citizen Action of New York, an affiliate of U.S. Action.

In an entry (July 16, 2008) on the Huffington Post, Kirsch noted that he had once been a strong supporter of a Canadian-style single-payer universal healthcare system. However, debilitating political fights over the details of the system demonstrated that a new strategy was needed, one that did not demand a specific policy outcome but instead focused on principle. HCAN has angered some single-payer activists like Harvard's David Himmelstein by urging incremental healthcare policy changes. But its current aim is simply to hold Congress and President Obama's feet to the fire to make sure that changing health care remains a high priority. The group wants to

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make sure that as specific plans are drawn up, the ultimate goal reflects a vision for a universal health care entitlement. The group sees its role as stirring up public support for any proposal that moves the nation toward universal healthcare coverage.

In addition to spending tens of millions of dollars on print, online, and national television advertising, HCAN is using online social networking websites such as MySpace and Facebook to corral support, and it has also set up a YouTube channel.

HCAN encourages its supporters to call their members of Congress to urge them to sign a statement endorsing basic principles for changing health care. In October, Obama added his name to the list of about 75 other members of Congress.

“Ensuring Americans in Illinois and across the country have access to affordable, comprehensive health care coverage is one of my top priorities,” Obama said in a statement at the time. “We must do everything we can to expand healthcare access, lower drug costs, and improve quality of care for working families, seniors, and children. I am proud to join HCAN’s efforts to tackle the tough challenges we face in reforming our nation’s healthcare system.”

After Obama won the election, HCAN took out a television ad congratulating him. The ad featured clips from Obama’s stump speeches in which he spoke about making health care reform a priority.

While the details of any plan will take months to hash out, they are likely to embody Daschle’s writings along with Obama campaign proposals. They both tout the benefits of a single-payer health care model—a more academic way of describing a socialized system in which government is the sole purchaser of health care.

In order to stave off Republican charges that they want to bring European-style socialized medicine to America, Obama has preemptively appropriated rhetoric from conservatives. He speaks about “choice” and “competition” and “public-private” partnerships in health care. However, behind the rhetorical veneer are policy ideas that would maintain the current mixed public-private

institutional structures but subordinate them to heavy government regulation.

Most liberal proposals call for a system in which individuals are given subsidies to purchase insurance in a government-run exchange, choosing either a government plan modeled after Medicare, or choosing among private plans that have to meet certain government standards. Large employers would likely be required to either provide health insurance to their employees, or pay into a government pool to purchase coverage for the uninsured. Such a plan would also require insurance companies to cover anybody who applies for insurance without taking into account pre-existing conditions, and insurers would have to charge rates the government deemed affordable.

The option for a new government-run insurer didn’t get much attention during the election, but it was a key element in Obama’s campaign proposal. Any legislation that does not provide it will be a non-starter for progressive groups such as HCAN. Their hope is that they can design a public plan more generous than any of the private options offered by insurers in the exchange (a task made easier when government is setting the rules of the game and doesn’t have to worry about making a profit because it can always raise taxes or issue more debt). Thus, liberals can gradually shift more Americans toward government health care while arguing that individual choices are retained.

MoveOn, the George Soros-funded group, was founded in 1998 to urge Americans to “move on” from the impeachment proceedings. But it has since become notorious for its fierce opposition to the Iraq War and the Bush administration, and it could figure prominently in the coming health care fight. When MoveOn asked its members what its priority issue should be for 2009, it received responses from hundreds of thousands of activists who voted for universal health care – even ahead of withdrawal from Iraq. MoveOn, which is part of the HCAN coalition, will make its email list available (it claims more than 3 million names) and take out ads to rally support for health care.

## Families USA

One group that hasn’t joined HCAN is Families USA, which has promoted an expanded

government role in health care for more than a quarter century. Founded in 1982 with a \$40 million endowment from high-tech businessman Philippe Villers, it advised Bill Clinton on health care policy during the 1992 campaign. Ron Pollack, an attorney who co-founded the group, worked on the Patients Bill of Rights when he served on the 1997 Presidential Advisory Commission on Consumer Protection and Quality in the Health Care Industry. Since then, Pollack has emerged as one of Washington’s top health care lobbyists.

Like HCAN, Families USA is wary of specifying the contentious details of a specific healthcare policy proposal. Instead, it has organized a coalition of 16 national organizations called the Health Coverage Coalition for the Uninsured (HCCU). That membership is heavily-tilted toward insurers, doctors’ organizations, hospital groups, and corporations. HCCU coalition members include AARP, the American Hospital Association, the American Medical Association, Blue Cross Blue Shield Association, UnitedHealth Group and the U.S. Chamber of Commerce. They would appear to have little in common with HCAN members like ACORN, AFSCME and SEIU. But all are reacting to rising healthcare costs, and they want to shape the outcome of forthcoming legislation that appears to them inevitable.

HCCU’s first goal is increasing insurance coverage for children. On Feb. 4, President Obama signed a bill expanding the State Children’s Health Insurance Program, or S-CHIP. President Bush twice vetoed S-CHIP bills giving increased federal tax dollars to states, allowing them to provide Medicaid insurance coverage to children in families earning as much as \$80,000. Families USA organized grassroots support to expand S-CHIP, and worked with like-minded groups like the Children’s Defense Fund, issuing policy reports and taking out television ads.

Recent Families USA ads have argued that universal health care is economically essential. “Quality, affordable health care,” the ad’s narrator says, “It’s not just something we should do for America’s families. It’s something we *must* do for America’s economy.” Although Families USA typically allies with progressive groups (see *Organization Trends*,

June 2007), HCCU has put it in coalition with big industry associations and corporations that include Johnson & Johnson, Pfizer, and the U.S. Chamber of Commerce.

### AMA Preemptively Surrenders

And there's the problem. While conservatives had many private sector allies during the health care fight against the Clinton administration, this time around we may be on our own. Many businesses are struggling with the high cost of providing health care benefits to their own employees with the current system and have put forward their own policy proposals.

The American Medical Association, for instance, was once a leading opponent of efforts to expand the federal government's role in the health care system. Ronald Reagan famously recorded an LP record on the group's behalf in 1961 titled, "Ronald Reagan Speaks Out Against Socialized Medicine" to protest the creation of Medicare. But the AMA now promotes its own universal health care plan, and can be expected to reach out to the Obama administration.

"The status quo is not good," said Nancy Nielsen, president of the AMA. "It's not good for patients and doctors are not happy. Doctors are discouraged, they're dispirited, sometimes they're angry, and it just isn't working well for anybody." Specifically, Nielsen explained that doctors are irritated by the difficulty of getting reimbursements and frustrated by the "hoops they have to jump through to get the care they think their patients deserve." She said all parties involved want to make sure that everyone has health insurance and that medical care is affordable. The debate will be over how to get there.

The AMA repeatedly says it does not favor a government-run health care system. Its plan – which moves away from employer-based health care and toward individual tax credits – shares more in common with Sen. John McCain's campaign proposal than it does with Obama's. At the same time, the nation's largest physicians' group sees a government takeover of health care as inevitable and wants to be part of the process, because doctors will have to work within whatever system gets created.

"The important thing for us is that we are part of the solution," Nielsen said. "If we are on the outside looking in and just complaining without being part of the solution, that's not a good place for physicians to be."

A recent Families USA web project called Stand Up For Health Care uses a blog and video to reach Americans who won't read a long policy paper on healthcare policy. The site explains, "This project cuts through the dense statistics, the spin and the confusion, explaining the issues clearly and giving you the chance to put that knowledge into action..." The site emphasizes that, "2009 may offer the best chance in nearly two decades for bold action in response to the growing health care crisis."

### Does Industry Want a Handout?

The last time around, the insurance industry played a crucial role in derailing Clinton's health care proposal, and their efforts are epitomized by the "Harry and Louise" television ads featuring a typical American couple living in a health care dystopia ushered in by the legislation, and struggling to make sense of the changes. But America's Health Insurance Plans, the largest insurance industry trade organization is a member of the HCCU/Families USA coalition group, and it has recently stated that it would be willing to offer coverage to those with preexisting conditions as long as there was a mandate requiring all Americans to purchase health insurance, thus ensuring that healthy people are brought into the risk pool.

"Our industry is taking a drastically different approach than it did 15 years ago," said AHIP spokesman Robert Zirkelbach. "[We] play an integral part of the health care delivery system and we felt we had a responsibility this time around to put forth solutions and contribute to the health care discussion."

Expressing a sense of urgency that echoed Obama's, Zirkelbach said, "We cannot afford to not take action. We have got to address the health care concerns that are facing the nation."

There is an increasing willingness even among small businesses to get behind some form of universal health care given the soaring costs of providing benefits to their employees.

The National Small Business Association, for instance, in an portion of its website dedicated to the first 100 days of the Obama administration, writes that, "While there are a number of individual reforms that can improve the functioning of the health care system and keep costs in check, many of the most important reforms can only happen in the context of universal coverage and comprehensive reform." The NSBA, founded in 1937, favors an individual mandate, a requirement that insurance companies cover anybody who applies for insurance, as well as a call for federally regulating policies to ensure "fair pricing."

The National Federation of Independent Businesses, founded in 1943, warns that an employer healthcare mandate would "wipe out" 1.6 million jobs. But noting that health-care premiums have increased by 130% in eight years, and that premiums are, on average, 18% higher than on large business, it too urges making "comprehensive" changes in healthcare for small businesses.

In 1994, federally-funded universal health care blew up in the Clinton administration's face and helped Republicans take over Congress later that year. The outcome this time may be quite different. A popular president, a willing Congress, and a patchwork of liberal grassroots and advocacy organizations are ready to do battle—and a fearful private sector is looking to make a deal.

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*Terrence Scanlon*

# Briefly Noted

**Bertha Lewis**, the chief organizer (CEO) of **ACORN**, denies that funds from the bloated \$825 billion-plus stimulus bill will go to ACORN. The bill's critics, she says at the Huffington Post, launched "windbag attacks on the desperately needed economic recovery package...[that] contains a wealth of provisions that put money directly into the economy through programs aimed [at] low- and moderate-income families." Lewis fails to mention that ACORN and similar groups can apply for \$5.2 billion set aside for foreclosure relief, community development block grants, and low-income housing development and rehabilitation.

Former Senate majority leader **Tom Daschle** is not unemployed. President Obama's pick for Health and Human Services secretary withdrew his nomination after tax irregularities surfaced, but he has plenty of nonprofit jobs: He's a Distinguished Senior Fellow at the leftist **Center for American Progress** and a co-founder of the **Bipartisan Policy Center**, which—in theory—runs the **National Commission on Energy Policy**, a group that supports a government takeover of the energy industry. He also has traveled abroad for the nonprofit student loan entity **EduCap**.

In recent years 61 terrorists released by the U.S. have resumed their "careers," Reuters reports. Another wire service reports that two former Guantanamo Bay inmates have joined al-Qaeda's propaganda effort since their release from U.S. custody. The duo appear in a terrorist video. Terror suspects should thank the **Center for Constitutional Rights** and other groups that use the courts to weaken America's ability to defend itself.

Environmentalist icon **James Lovelock** thinks carbon trading is a scam. Such a system is "not going to do a damn thing about climate change," said the creator of the Gaia Hypothesis. "Most of the 'green' stuff is verging on a gigantic scam. Carbon trading, with its huge government subsidies, is just what [the] finance and industry wanted."

Meanwhile, at the Sundance Film Festival protesters denounced founder **Robert Redford**, accusing him of being an enemy of the poor for opposing energy exploration, the Salt Lake Tribune reports. "Robert Redford may not realize that the environmental agenda he has bought into hurts a lot of low-income families at the other end of [the] natural gas pipeline," said **Niger Innis**, spokesman for the **Congress of Racial Equality**.

Secretary of State **Hillary Clinton** named **Todd Stern**, a veteran of **Bill Clinton's** White House, to be her special envoy on climate change issues. A lawyer, Stern is a senior fellow at the Center for American Progress (CAP). John Gizzi profiled CAP in the May 2007 *Organization Trends*. Stern was chief U.S. negotiator at the talks that led to the economy-destroying Kyoto Protocol.

Public health and temperance activists in Oregon want to raise taxes on each barrel of beer produced in the state by \$49.61 tax a barrel, or 1,900%, NewsChannel 8 Portland reports. The tax grab would fund prevention, treatment and recovery programs for alcohol and substance abuse programs. Local brewer **Mike DeKalb** says the tax hike would kill his business and raise the cost of a pint from \$4.50 to \$6.