



## Howard Dean: How Republican Attack Dogs Plan to Thwart Health Reform

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*Editor's note: In his new book, Howard Dean's Prescription for Real Health Reform, the physician and former presidential candidate devotes a chapter to the forces arrayed against substantive health reform -- the insurance industry, big business, some pharmaceutical companies and political conservatives. The following is an excerpt in which he discusses the long fight against progress mounted by conservatives.*

During the early 1990s, under the leadership of Representative Newt Gingrich (R-GA) and Senator Bob Dole (R-KS) and bolstered by the ideological support of the Heritage Foundation, Cato Institute, and Manhattan Institute, Republicans successfully defeated President Clinton's health reform effort. Conservatives of all stripes argued that healthcare reform was "creeping socialism" or "big government," denied the existence of a healthcare crisis, or co-opted the term reform to push their own agendas and dilute support for a comprehensive solution to the nation's healthcare crisis.

Unfortunately, today's Republicans are no less inflammatory. Relying on a very similar playbook, conservatives are distorting progressive proposals in an effort to obstruct reform. In May 2009, GOP wordsmith Frank Luntz authored a new messaging memo defining the Republican rhetoric on healthcare reform. The memo, titled "The Language of Healthcare 2009," "is based on polling results and . . . captures not just what Americans want to see but exactly what they want to hear." The memo suggests "The Words That Work" and instructs that "from today forward, they should be used by everyone."

Luntz warns that "if the dynamic becomes 'President Obama is on the side of reform and Republicans are against it,' then the battle is lost and every word in this document is useless." The trouble is, the document is already useless. Because rather than challenging the tenets of American reform proposals, Luntz establishes a straw man argument against a nonexistent health plan. Buried amid the usual rhetoric about government-run healthcare is Luntz's predictable contradiction: He instructs Republicans to "be vocally and passionately on the side of REFORM" but then urges GOP lawmakers to misrepresent and obstruct any real chance of passing comprehensive legislation.

"Humanize your approach," but argue that healthcare reform "will result in delayed and potentially even denied treatment, procedures and/or medications."

"Acknowledge the crisis" but ask your constituents "would you rather . . . 'pay the costs you pay today for the quality of care you currently receive,' OR 'Pay less for your care, but potentially have to wait weeks for tests and months for treatments you

need.””

In other words, say there is a crisis but then argue that healthcare reform would lead to “the government setting standards of care” and government “rationing care” and would “put the Washington bureaucrats in charge of health care.” “This plays into more favorable Republican territory by protecting individual care while downplays the need for a comprehensive national plan,” the memo states.

Readers are also instructed to conflate Obama’s fairly moderate hybrid approach to reform (building on the current private-public system of delivering healthcare) with “denial horror stories from Canada & Co.”

Focus on timeliness—“the plan put forward by the Democrats will deny people treatments they need and make them wait to get the treatments they are allowed to receive”—and argue that Republicans will provide “in a word, more: ‘more access to more treatments and more doctors . . . with less interference from insurance companies and Washington politicians and special interests.’”

But that’s the major problem with Luntz’s memo: It tries to obstruct health reform by ignoring what Obama is actually offering. Instead, Luntz is attacking an easy extreme—what he wishes the Democrats were proposing—and pretending that the Republicans actually have some kind of healthcare solution (the memo instructs Republicans to focus on targeting waste, fraud, and abuse).

For their part, Republicans have no solution to the healthcare crisis. In fact, a recent article in Politico.com noted that the GOP is “stumbling” to find new ideas for reforming the healthcare system. “No Republicans leading the charge . . . have coalesced the party behind them,” the article notes. “Their message is still vague and unformed. Their natural allies among insurers, drug makers and doctors remain at the negotiating table with the Democrats. So Republicans now worry the party has waited so long to figure out where it stands that it will make it harder to block what President Barack Obama is trying to do.”

To the extent that Republicans are discussing healthcare, they’re relying on trite McCain-campaign talking points and old hands from the 1990s. In other words, they’ve outsourced the conversation to attack dogs and relinquished the serious debate about how to lower costs, increase access, and improve quality.

The truth, and what the Politico.com article hints at, is that the GOP leadership has little understanding of healthcare issues. In February 2009, House Republicans formed a study group to devise so-called free-market alternatives to President Obama’s healthcare proposal. Minority Leader John Boehner (R-OH) tapped former GOP whip Representative Roy Blunt (R-MO) to lead the group of sixteen Republicans, including Representatives Michael Burgess (R-TX) and John Shadegg (R-AZ). “Through this working group, Republicans will develop real solutions to improve our health care system by putting patients before paperwork and frivolous lawsuits,” Blunt promised. But at the group’s first meeting, “members reviewed polling data and agreed to bring in a series of experts to discuss problems with the health care system and potential solutions.” As of this writing, the Republicans have yet to embrace a healthcare solution or properly diagnose the cause of the healthcare crisis.

In April, the Health Policy Consensus Group, headed by the conservative Galen Institute, published “a vision for consumer-driven health care reform” that focuses on tax breaks for healthcare and giving Americans “control” over their healthcare dollars. Senator John McCain (R-AZ) had proposed a similar plan during the presidential campaign, but he never convinced Americans to abandon their employer-provided insurance for the promise of cheaper coverage in the individual market. Part of the problem rests in the fallacy of the theory; the rest, in the burden of experience. After all, Americans are routinely denied coverage in the unregulated individual health insurance market, and small businesses are “frequently finding health policies too expensive and are dropping coverage, sending even more people shopping for insurance.” Healthy Americans who do find coverage enroll in bare-bones plans that offer little substantive protection.

As *The Miami Herald* recently reported, insurers deny coverage for patients with “diabetes, hepatitis C, multiple sclerosis, schizophrenia, quadriplegia, Parkinson’s disease and AIDS/ HIV.” Moreover, “some insurers will automatically reject applicants who are using certain prescription drugs. Wellpoint denies anyone who within the past year has taken Abilify and Zyprexa for mental disorders as well as Neupogen, which is used to treat the side effects of chemotherapy. Vista lists the anticoagulant warfarin and the pain medication OxyContin. Both companies list insulin.”

And why not? Competition without meaningful regulations incentivizes companies to offer insurance to only the healthiest Americans. How else could they beat the insurer across the street? Offering coverage to sicker Americans would attract a sicker pool of enrollees and serve as a competitive disadvantage. In fact, free-market healthcare fits the definition of a failed market. A market fails when these conditions exist:

- A monopoly, which occurs if a single buyer or seller can exert significant influence over prices or output. In healthcare, “insurer and hospital markets are increasingly dominated by large insurers and provider systems,” an Urban Institute report points out. “The increased concentration has made it difficult for the nation to reap the benefits usually associated with competitive markets.”

- Negative externalities, which occur if the market does not take into account the impact of an economic activity on outsiders. In the Wild West environment of the individual health marketplace, companies leave the sickest patients without coverage. Healthcare costs increase for everyone when patients are forced to forgo early and appropriate care or to visit the emergency room once a condition becomes unbearable.

- Asymmetric information, which occurs when one party has more or better information than the other party. Americans looking for coverage in the individual market have no way of comparing different policies and rarely know what the plans actually cover.

Conservative health proposals double down on this broken marketplace. They: (1) eliminate the employer tax exemption for health benefits, (2) provide everyone with a refundable tax credit to go out and purchase individual coverage, and (3) loosen the already lax insurer regulations. The results are predictable. Not only will

Americans with preexisting conditions go without coverage—or, at best, be offered very expensive plans—but as healthy Americans with bare-bones policies fall ill, they'll discover that their insurer has little enthusiasm for paying claims.

Conservatives may no longer deny the existence of a healthcare crisis, but they sure do misdiagnose the causes of rising healthcare costs. Blunt, for instance, promised that “Republicans will develop real solutions to improve our health care system by putting patients before paperwork and frivolous lawsuits.” But to identify “real solutions,” we must first properly diagnose the problem. Blunt’s argument that “frivolous lawsuits” are significantly driving up healthcare costs misses the point entirely.

The total cost of malpractice constitutes just 0.46 percent of total healthcare expenditures, and settlements have grown modestly with inflation. While approximately 98,000 people die each year from negligent treatment, a mere 2 percent sue their physicians. As health policy analyst Maggie Mahar observed, “A very small group of doctors are losing or settling malpractice lawsuits, but they are losing big.” Between 1990 and 2002, “5.2 percent of doctors were responsible for 55 percent” of all malpractice payouts. The increasing costs of malpractice insurance premiums are hurting doctors, but they’re not the real causes of our growing healthcare bill. In reality, the longer Republicans obscure the real issues and obstruct reform efforts, the higher the costs will rise.

*[Click here to buy a copy of Howard Dean's Prescription for Real Health Reform](#)*

*Howard Dean, former governor of Vermont, is the founder of Democracy for America, a grassroots organization that supports socially progressive and fiscally responsible political candidates.*

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