

Massive healthcare battle looms in US

By Philippa Thomas
BBC News, Washington

It is a critical week for what could be the biggest reform of Barack Obama's presidency.

America's president lobbied America's doctors on Monday, making his case for a complete overhaul of the nation's costly healthcare system.

He is up against fierce opposition from private insurance corporations - and from politicians who denounce any government involvement in health provision as the road to "socialised medicine".

So he needs the support of America's doctors - his biggest domestic reform is expensive, controversial, and vulnerable to attack on all sides.

'Unsustainable'

He had a blunt message at the annual conference of the American Medical Association.

If reform is to work, he said, the AMA will bear much of the responsibility for reining in the huge cost of American healthcare.

The current system, he said, is based on quantity not quality.

There is every financial temptation for a doctor to add more patients to the list, and to add more expensive tests for every patient.

"It is a model that has taken the pursuit of medicine from a profession - a calling - to a business. That's not why you became doctors".

The core of his case is one we have heard before, and will hear all summer long, as President Obama keeps up the pressure on the nation's lawmakers back in Washington.

" If it were simple, we would have passed this many years ago "
Henry Waxman Chairman, House Energy and Commerce Committee

Again and again, he is insisting that "the status quo is unsustainable".

He argues that America cannot afford *not* to reform a health care industry that accounts for around one sixth of the US economy.

In his speech to the AMA he warned against the "fear tactics" of his opponents - before going on to describe the cost of healthcare as "a ticking timebomb" for the national budget.

Crushing loss

Mr Obama is right to diagnose a sickness at the heart of American healthcare.

Around 46 million Americans are currently uninsured. For them, simple problems can become acute.

For the taxpayer, it means funding patients who end up unnecessarily in hospital emergency rooms.

Even for those with coverage, much of it provided through employers, the costs of doctors and hospitals, tests and treatment, often rip a huge hole in the family budget.

When Americans lose their jobs, the most crushing loss of all can be the access to family healthcare. And in this recession, the unemployment rate has now risen to 9.4%.

But it is so much easier to point to the problem than engineer a solution.

That is why the corridors of Congress are swarming with worried legislators, facing President Obama's deadline of passing meaningful legislation to reform American healthcare this summer.

The key initiative from Senate Finance Committee Chairman Max Baucus could come as early as this week.

America's representatives are grappling with a series of challenges, each in itself a political nightmare.

Is it time for healthcare somehow to be rationed? Can doctors and hospitals provide their services for less? Should employer-provided healthcare benefits be taxed? Should the current insurance options be broadened to include a government plan?

In the final reckoning, who pays to extend insurance to the millions who currently go without?

Lessons of history

A lot of powerful interests have a lot to lose.

Above all, the giant corporations who currently provide private insurance - and stack up handsome profits for doing so.

All that adds up to a lobbying frenzy on Capitol Hill.

I spoke this week to Congressman Henry Waxman, one of the key lawmakers in the House of Representatives in charge of writing healthcare legislation.

" [The government is] trying to figure out how to get the most feathers from the goose with the least amount of squawking "

Michael Cannon Cato Institute

"We desperately need this", he told me, adding that he was facing "an intense amount of lobbying and concern".

"If it were simple," he added with a rueful smile, "we would have passed this many years ago."

The lessons of history are daunting.

For decades, since the days of Teddy Roosevelt and Harry Truman, presidents have pushed for reform.

In 1948, Truman's plans faltered in the face of cynicism about "Russian-style communism".

Fast forward to 1994, and the massive healthcare initiative sponsored by then-First Lady Hillary Clinton.

It went down in flames, victim to the classic "Harry and Louise" television ad campaign, which featured the anxious conversations of two concerned Americans.

The ads aroused intense fears about "socialised medicine", implying a future of long lines for treatment, and the rationing of essential services.

Who pays?

Today those fears are back.

But this time there is a well-organised TV marketing campaign behind the president's efforts, urging Americans to demand that Congress vote for change this summer. The fear of European-style, "socialised medicine" still looms large, however.

And the biggest question of all is still the subject of intense debate - who is going to fund this?

I heard an interesting take on the question from libertarian thinker, Michael Cannon, who heads health policy analysis at Washington's Cato Institute.

He told me big reform is needed - but reform that puts financial power into the hands of individual consumers, not another vast government bureaucracy.

He estimates it will cost around \$2tn to cover all of America's uninsured over the next 10 years. Others say around \$1tn. Either way, who pays?

The burden might fall on doctors and hospitals, tasked with providing more with less funding.

The burden might fall on workers, if salaries fall as employers are required to provide broader health insurance. The burden might fall on taxpayers, facing more or higher taxes.

To make universal healthcare work, everyone is going to need to sacrifice.

As Michael Cannon puts it, "the people that you're going to ask to pay that \$2tn price tag are going to notice that you're asking them to pay. So really what the government is doing now is to try to find the path of least resistance. It's trying to figure out how to get the most feathers from the goose with the least amount of squawking".

And that is where President Obama's celebrated powers of persuasion will be tested to the utmost this summer.

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