

Nurses' guide to single-payer reform

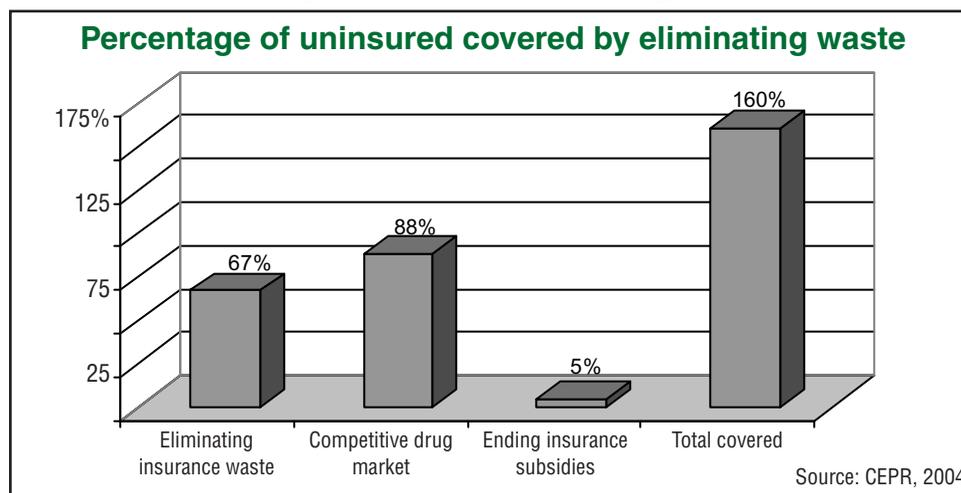
Study shows \$245 billion savings from cutting insurance and drug waste

Massachusetts Jobs with Justice released a report on Oct. 7 showing that \$245 billion is wasted on private insurance red tape and protecting drug company super-profits each year. The study concludes that by providing insurance more efficiently and making drug companies sell in a more competitive market, the savings could be used to provide secure, affordable health care for all.

The report, *Waste Not, Want Not: How Eliminating Insurance and Pharmaceutical Industry Waste Could Fund Health Care For All in Massachusetts*, focuses on how three reforms to the current health care system could prevent billions of dollars in waste and yield enough savings to guarantee secure and affordable health care for all. Specifically:

The fragmented system of nearly 1,300 private health insurance companies creates unnecessary red tape and administrative waste. The national Medicare program has a proven track record of providing insurance at slightly less than one-tenth the cost of private plans. Adopting Medicare's standard of efficiency, and improving and expanding it to cover everyone, would save more than \$94 billion on health care every year.

- In Massachusetts, that approach could save \$2.7 billion—enough to insure more than 1.2 million of the 1.4 million state residents who were without insurance at some point last year.
- Although the federal government and other public sources already pay half the cost of research and development, drug companies receive long-term



patent protections that discourage competition and guarantee super profits. If the federal government paid for all of the R&D, it could eliminate the patent protections, encourage competition and generic drugs, and save \$140 billion in health care costs every year.

- In Massachusetts, this prescription drug reform could save \$4.2 billion—enough to insure all of the 1.4 million state residents who were without insurance at some point last year.
- The Bush administration's recently-enacted Medicare prescription drug bill gave additional subsidies for private insurers because they can't compete with the efficiency of Medicare. Reversing these and other devastating

changes to Medicare could save \$83.6 billion—or \$11 billion a year—over the next eight years.

- In Massachusetts, reversing the changes to Medicare could save \$220 million—enough to insure another 88,000 state residents.

Together, these savings would be more than enough to provide insurance coverage for all of the 81.8 million people who went without health insurance for all or part of last year. In Massachusetts, the total savings of \$7.1 billion would be enough to cover 210.5 percent of the uninsured.

"Too much of the discussion regarding the health care crisis is about the problem, not about the solution," said state Sen. Steven Tolman, lead sponsor of a state uni-

versal health insurance plan. "This report addresses a possible solution by showing that streamlining administrative waste and reforming drug pricing rules would allow everyone in Massachusetts to have accessible and affordable health care."

"So many politicians say they support the concept of health care for all, but then hide behind the question of how a universal plan would be financed," said Paul Cannon, president of Teamsters Local 122, and co-chair of Jobs with Justice's Health Care Action Committee. "Our study shows that health care for all isn't an economic problem; it's a question of political will. We're building a movement to force politicians to stand up to the special interests and pass laws for secure and affordable health care."

Former state senator and gubernatorial candidate Warren Tolman led a special forum on Oct. 10 at the Old West Church in Boston to highlight the failures of the current health care system and present visions for change based on the report's findings.

Waste Not, Want Not is based on an analysis of government census and economic data done by the Center for Economic and Policy Research (CEPR), located in Washington, DC. The report was funded by six unions in conjunction with Health Care Action Week, which recently ran from October 3 - 10. It was sponsored by 11 unions and nine national health care reform organizations.

Copies of the state report are available on the Massachusetts JWJ Web site at www.massjwj.net. ■

More money and less care

By Mary Crotty

Associate Director of Nursing

The Washington Post¹ recently reported findings on the crisis in health care that are appalling and measurably worse than previously thought. Specifically:

- In 2003-2004, about 85 million persons were uninsured for some period of time—a nearly 18 percent increase over the past four years. Uninsured rates for Hispanics jumped from 50 to 61 percent.

Since the current population of the U.S. is nearly 300 million, the number of those uninsured for at least part of the past year is 28 percent of the population—approaching one-third of the country.

Other recent research findings include:

- The number of Americans without health insurance for the entire year 2003 hit a record 45 million, or 15.6 percent of the population, the Post reported.
- The cost of family health insurance is rapidly approaching the gross earnings of a full-time minimum-wage worker, according to Drew Altman, president and CEO of the Kaiser Family Foundation.
- The number of Americans spending more than a quarter of their income on medical costs climbed from 11.6 million in 2000 to 14.3 million this year, according to data from the Kaiser Family Foundation².
- The increase in health care inflation is four times the rate of general inflation, according to Mercer Human Resource Consulting.
- The average cost of health insurance pre-

miums for a family of four is now nearly \$10,000 a year according to Families USA.

- Nationwide, workers' costs for health insurance have risen by 36 percent since 2000, while earnings increased only 12.4 percent on average (Families USA).
- Only 61 percent of all workers now have health care coverage in the workplace (down from 65 percent three years ago), according to Kaiser.

Workers—including health care workers—can expect to see their own health insurance coverage dropping, with fewer benefits and greater deductibles imposed by their employers. At the same time that the public is paying for impossibly expensive care, frequent reports of avoidable medical errors, injuries and deaths that continue to make the news.

The huge burden imposed by out-of-control health care costs on families will continue to be one of the major factors forcing millions into the ranks of the uninsured or personal bankruptcy. Spokespersons on both sides of the political spectrum are in agreement that the current health care system is unsustainable—that the industry is out of control. The MNA expects to see the call for a major revamping of the health care system back on the national political agenda shortly. ■

¹ "Higher Costs, Less Care," Ceci Connolly, *Washington Post*, Sept. 28, 2004.

² The Kaiser Family Foundation is one of the nation's largest healthcare foundations and a well-respected independent source of research and information on healthcare in the U.S.

Spread the word

Support a constitutional right to health care

Nurses are the frontline when it comes to patient care and nurses have been at the forefront of the fight for the right of affordable access to health care for all.

Six nurses were key in starting the Health Care for Massachusetts Campaign. They're looking for 10,000 more to join them to let our elected officials know that nurses want the right to universal health care to be the law in Massachusetts. They're asking you to join the campaign as an endorser and they're hoping that you'll spread the word and sign up your co-workers (see page 7).

The Health Care for Massachusetts Campaign is a citizen-led initiative to guarantee every resident access to affordable, comprehensive and fairly financed health and mental health care including prescription drugs and devices by making it part of our state constitution. The MNA was one of the first organizations to endorse the campaign and the work of many, many nurses has brought the amendment half-way to ratification by the voters in 2006.

Once ratified every Massachusetts resident will have a right to affordable, comprehensive health care just the way every child in the commonwealth now has a right to a public education. It makes our elected officials responsible for finding everyone can get coverage for the care they need to prevent and treat illness and injury. It sets a clear goal and clear standards but leaves it to stakeholders—nurses, doctors, patients, hospitals, employers and our elected officials to figure out the best way to fix our broken health care system and to keep it fixed.

With your help and the help of your co-workers, the campaign collected the signatures of more than 71,000 registered voters last fall to send the Amendment for Affordable Health Coverage to the Legislature.

With your help and the help of your co-workers, the campaign successfully fought to bring the amendment up for a vote in the Constitutional Convention.

With your help and the help of your co-workers, 153 legislators—three times the number needed—voted FOR a right to affordable health coverage for every Massachusetts resident. It was an historic vote, making Massachusetts the first state in the nation to take even a preliminary step toward eliminating one of the fundamental injustices of our society—a health care system that excludes people based on their ability to pay.

Please help keep the momentum going. Endorse today and sign up your colleagues at work. Join us and help make history! ■