

Few Specifics, No Surprises

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On February 6, 1992, the Bush Administration published The President's Comprehensive Health Reform Program, a 94-page document outlining the administration's current thinking on a wide range of health care issues. This document, issued with little official comment and only a modest amount of fanfare, has received a cool reception in Congress and from most health care groups. The proposal is however deserving of careful attention because it summarizes and illustrates very well the confusion, controversy, and lack of acceptable options all parties seem to be confounded by in this critical public policy area.

The Bush proposal has been carefully studied by the ICA Legislative Committee and staff, and we believe it is a document that deserves to be taken seriously, if only as a resource and a yardstick against which other proposals can be measured. It provides an excellent summary of current health care policy; it states the health care problems our nation is facing in a clear and accurate manner. The document also supplies us with a great deal of data on health care costs, growth, public spending, etc., which would be difficult to collect from any other source. However, on the big questions, such as how to bring exploding costs under control, how to ensure quality care and patient freedoms, how to maximize the potential of a prevention policy, and how to pay for plans to extend coverage to our nation's tens of millions of uninsured citizens, the answers simply are not there.

Whether you view the Bush proposal as a serious effort to confront our nation's health care crisis or as an election year gimmick produced to silence domestic policy critics, at least an outline is on the table and the administration will find it difficult to retreat from the pledges of reform, modest as they are, that they have presented. To this degree at least, it is a step forward.

The Bush plan presents no prescription for radical reform. Throughout the document, constant references are made to the administration's desire to "preserve what works and reform what doesn't," with the greater emphasis going to the "preserve" side of the equation. The basic outlines of the Bush proposal include:

Tax Credits: for poor families and tax deductions for others in order to pay for health insurance coverage; for families with poverty-level incomes, the administration is proposing the issuance of insurance vouchers which would be valid for purchasing insurance from private companies. The value of such vouchers would vary on the basis of income and family size, but a single person at the poverty level would receive \$1,250; couples earning under \$10,000 would receive a voucher valued at \$2,500; and families earning less than \$14,300 would be authorized \$3,750 in annual financial assistance. Once income reaches 150 percent of the poverty level, a tax deduction schedule would replace the voucher system.

The administration has predicted that this initiative would reduce the number of uninsured in the U.S. from 35 million to less than 5 million within five years. The great weakness in this proposal however is the lack of any sort of plan to pay the estimated \$100 billion cost of this five-year program.

Reduction of Administrative Costs: to address cost containment through a series of marketing and administrative reforms, including standardized electronic billing, computerized medical records systems, reform of the utilization review system, and market reforms that would pool small business insurance purchasing.

Coordinated Care: incentives to use HMOs, PPOs, and other managed care systems are emphasized; anti-coordinated care laws would be eliminated in the states.

Personal Responsibility and Prevention: The Bush proposal touches on numerous aspects of an enhanced prevention program, including increased federal funding, public education, traffic and workplace safety, and smoking education. Incredibly, there is no mention anywhere in the document of drug education or treatment. This gap defies explanation as the Bush administration has made the war on drugs a centerpiece of its policy efforts. Drug abuse is perhaps this nation's number one preventable health problem. While totally ignoring the plague of drugs in our nation, both legal and illegal, the administration's document pointed with great pride to a 148 percent increase in childhood immunization funding over the past two years.

Malpractice and Antitrust Reform: to reduce the growing costs of malpractice adjudication through the use of alternative dispute resolution, caps on the amounts of non-economic damages awarded in malpractice cases, and through programs which seek to enhance the quality of care delivery and thus reduce malpractice exposure. Reform of antitrust laws would be sought to protect doctors operating in a peer review capacity.

One feature of the Bush plan of special interest to chiropractic is the proposal to extend the ERISA exemption to "small businesses that purchase coverage on a group basis," thus exempting millions of additional beneficiaries from the protection of state mandated benefit laws. The ERISA exemption is already being exploited by large businesses to side-step state protections. ICA views this as a serious defect in the president's plan, one that adds to the disease, not the cure, by limiting patient choices to the most expensive medical options and excluding alternatives such as chiropractic.

In addition to advancing its own proposals, the Bush administration has used this document to attack various competing reform proposals as unworkable and economically destructive. The president's plan devotes nearly 20 of its 94 pages to problems associated with adopting a Canadian model and to criticism of the so-called "play-or-pay" proposal that is presently gaining popularity in Congress. Under the play-or-pay proposal, employers would either provide health coverage to employees consistent with minimum federal standards or be required to pay a health insurance tax to fund coverage for employees through a public insurance program.

The Bush plan is receiving a luke-warm reception at best, even among congressional Republicans; Democratic critics have found little of merit in the administration's document. The Washington Post quoted senior Senator David Durenberger (R-MN) describing the Bush proposal as "...a plan, not a solution..." and Democratic congressional leaders have been far less kind and reserved in their frank criticism of the administration's plan.

There is clearly no congressional consensus in support of the Bush proposal. Critics outnumber advocates on both sides of the political aisle. However, no health reform plan has won the support of a majority in either house of Congress and the Bush proposal has become simply one more proposal on a list of initiatives going nowhere. Until a strong consensus emerges on the shape of health care reform and on how much we as a nation are willing to spend, including where that money is going to come

from, no action on national health insurance or any other dramatic reform of the way we deliver, administer, or fund health care in this country is likely. As a political issue, it has yet to have the impact on the presidential campaign that many observers thought it would. As an economic challenge, all would-be reformers seem stumped by the massive funding needs even modest proposals require.

The Bush proposal does have a few committed advocates. The private health insurance industry, eager to book the tens of billions of dollars in new business the president's voucher proposal would send their way, are actively working to sell the plan to a skeptical Congress. Our nation's hard-pressed insurance industry, having invested in the same failing real estate market, oil exploration ventures, and junk bonds as the banking and savings and loan industries, are hungry for the infusion of new cash the Bush plan would guarantee. The obvious self-interest such advocates have in this plan has already blunted their lobbying effectiveness.

The degree to which the president himself is committed to enacting this plan remains to be seen. He has made little effort to explain the plan to the public, and he has placed no emphasis at all on this proposal in his campaign for re-election or in his efforts to deal with Congress. This lack of commitment on the part of the administration has all but doomed the proposal to final oblivion.

For the chiropractic profession, the lack of consensus on health care reform represents a valuable window of opportunity, and to some extent, borrowed time. Our profession must work quickly to educate policy makers on the valuable contribution chiropractic has to offer in the battle to maintain quality and, at the same time, bring costs under control. The Bush proposal did not even mention chiropractic or any other alternative to the present failing medical system. Clearly the chiropractic profession has much work to do if we wish to be a part of whatever system emerges from the rubble of our current funding and delivery system. ICA's Task Force on National Health Policy is addressing these concerns and its report will be published in the coming weeks. Meantime, every DC concerned about the future of health care in this country should become involved in this difficult political struggle: as a voter; as an activist; and as a member of a national chiropractic association.

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For a copy of the president's plan, send a self-addressed label and \$1.80 in postage to:

The International Chiropractors Association
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