

THE QUEST FOR NATIONAL HEALTH INSURANCE

RISE AND FALL OF CLINTON HEALTH PLAN

Promise of Health Security ---President Clinton in Fall 1993 introduces NHI Plan that his wife was instrumental in designing. Fulfills promise of FDR

Setting: lots of health care inflation; great middle class insecurity---recession, end of Cold War; health insurance declining.

Plan ----- complex, 1342 pages, nine months team of 500 ---- Call Health Security

- universal---everyone required to have health insurance
- comprehensive----benefit package good
- financed through efficiencies----employers have to pay 80-95% of premium; cap of 7.9% of payroll; small business subsidies 3.5-7.9%; cap on premium increases if exceed inflation plus
- reform---managed competition---Health Alliances—geographically based, big companies can have their own; provision for Medicare, Medicaid, unemployed. States could opt for single payer.
- Providers linked in three differently priced plans: Fee for Service; HMO; Managed care. Same rates (no experience) for everyone who selects plan.

OUTCOME ----no vote; Democrats lose House for first time in 40 years, both houses Republican for first time in 60 years.

Explanation---

1. OPPORTUNITY LOST

- miscalculations---big benefits, complexity, mandate for small business, TOO GRAND
- miscalculations---didn't make deals, build coalition
- poor communications----Harry & Louise, Rush Limbaugh beat Dems up
- President Clinton too weak, Dems too quick to give up; not afraid of him

2. MISSION IMPOSSIBLE

- People see problem---full coverage without rationing NO WAY; Controls and taxes
- TOO MUCH PRIVATE INSURANCE---only weak outside, those in fear controls
- Could not take from Defense ---Clinton too weak NO MONEY; deficits

NEED NEW WAY === just those in need covered by government rest pays

Medical Saving Accounts