

AN ABSTRACT OF THE THESIS OF

James S. Leathers for the degree of Honors Baccalaureate of Science in Microbiology presented on May 21st, 2014. Title: A Historical Reflection of Cultural Factors Inhibiting American Healthcare Reform

Abstract Approved:

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Past healthcare reform has been blinded by the presence of competing philosophies and ideologies that ultimately yielded ineffective compromises or short-term solutions. With the ever-shifting political and economic landscapes, the future of our nation's healthcare is in great peril. This paper is a meta-analysis on obstructions to healthcare reform that will give readers a brief overview of current barriers and a short synopsis of why they may exist. Upon analysis of nearly 100 years of history, I decided to focus on the reform efforts of the American Association for Labor Legislation and the efforts of the FDR, Truman, JFK, LBJ, Nixon, Clinton and Obama administrations. I uncovered the following major inhibitory motifs throughout each successive attempt at national healthcare reform: resistance from organized medicine, distraction by foreign affairs, economic crises, distraction by domestic affairs and lack of legislative prioritization. The presence of these inhibitory motifs throughout 100 years of history tells us that there will never be an ideal time to pursue healthcare reform. The time to act is now.

Keywords: healthcare, history, ACA, PPACA, healthcare reform, national health insurance

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A Historical Reflection of Cultural Factors Inhibiting
American Healthcare Reform

by

James S. Leathers

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I understand that my project will become part of the permanent collection of Oregon State University Honors College. My signature below authorizes release of my project to any reader upon request.

James S. Leathers

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This project is dedicated

to my parents

David

and

Marina

Leathers

“If you raise your children to feel that they can accomplish any goal or task they decide upon, you will have succeeded as a parent and you will have given your children the greatest of all blessings”

-Brian Tracy

Foreword:

Before I begin, I would like to share my education, ideology and personal background with you, my audience, so that you can appropriately frame my perspective and identify any potential pre-existing biases and prejudices associated with my point of view.

My name is James Leathers and I will graduate Summa Cum Laude with an Honors B.S in Microbiology from the Oregon State University (OSU) Honors College. I will matriculate into the Vanderbilt School of Medicine in the fall of 2014 on a full tuition scholarship.

I was raised within a small and little known Protestant denomination known as Christadelphia. I have lived in the Portland metropolitan area in Oregon the majority of my life but I briefly lived in Costa Rica from when I was four to when I was six years of age while my parents were doing missionary work for our church. Although my parents rejected political involvement due to their religious faith, their views were most in-line with political conservatism. I identify myself as a moderate conservative.

The American healthcare debate is so awesomely complex and messy at times, that it's often more convenient to slip into a state of apathy and inaction than it is to attempt to understand. For the majority of Americans, this is the common dilemma.

As a recently accepted medical student, I believe that my opinion on the healthcare reform debate is both valuable and limited by my current status on my journey to become a physician.

My perspective is valuable in that I have not yet been jaded by the rigors of medicine. I have not toiled over medical textbooks in medical school, I have not yet experienced the clinical pressures of internship and residency, and I have not yet endured the physical and emotional taxation that a veteran physician will endure over the course of his or her career. I have a relatively objective perspective that I believe will allow me to open-minded and receptive to new thoughts and ideas.

For the reasons listed above, my opinion is limited. I cannot yet comment on the quality of an American medical school education, I cannot give insight into residency training and its role in our healthcare system, and I cannot express anecdotally the benefits and detriments of our healthcare system from the perspective of a seasoned attending physician.

I am not yet a doctor and consequently lack the medical knowledge and experience that the title represents. However, compared to the majority of Americans who do not work in healthcare related fields, I do have a considerable amount of exposure to both clinical practice and biomedical research, which has given me a general understanding, albeit superficial, of the American healthcare system. I have shadowed physicians in small rural practices, volunteered at community based programs that treat patients with mental and physical disability, witnessed level one traumas in large academic medical center emergency departments, observed countless surgeries from within operating rooms and followed medical specialists from consultation to procedures. I have participated in biomedical research for the OSU Colleges of Veterinary Medicine and Pharmacy, the Johns Hopkins University School of Medicine and the Vanderbilt University School of Medicine. I, like many of my future colleagues who are preparing

for careers as physicians, nurses, medical technicians, healthcare administrators and social workers, share a unique perspective that may be insightful in the healthcare reform debate. I stand on the waters edge of medicine; before I dive in, I wish to identify current issues in my future career so that I can help address them once I am immersed.

A Historical Reflection of Cultural Factors Inhibiting American Healthcare Reform

Chapter 1: Introduction

America is a beautiful assortment of different languages, ethnicities, religions, political allegiances and foreign cultures all compartmentalized into unique geographical regions. On one hand, America's breadth of diversity has sparked monumental discoveries, spawned the creation of bustling metropolises and led to breakthroughs in social reform and public policy. On the other hand, our diversity has led to a great divide in public opinion on prevalent issues such as healthcare, and has left our system in a stagnant gridlock of competing financial interests, ethical viewpoints and political agendas.

The American healthcare reform debate has dominated media headlines ever since the Patient Protection and Affordable Care Act (PPACA) was signed into law by President Obama on March 23rd, 2010. There seems to be a national consensus that healthcare reform is needed but questions remain as to what is the best way to accomplish these needed changes, who should be responsible for making these changes and when is the best time to act.

Some people believe that the PPACA should be repealed because it represents change in the wrong direction. Some people support the bill as it currently stands. Some people believe that it should be amended or repealed because it does not go far enough. Others are indifferent and choose not to take one side or another. Regardless of whether Americans support or refute PPACA, many agree that our current healthcare system is in

grave need of reform. Meanwhile, the reasons as to why it is broken remain unclear to the general populace.

It is no secret that the American healthcare system is expensive. According to the World Health Organization (WHO), in 2010, the US spent 17.6% of its GDP on healthcare.¹ For comparison, other industrialized countries such as Sweden, Canada, France, Germany and The UK, spent 9.6%, 11.5%, 11.7%, 11.5% 9.6%, respectively.¹ Furthermore, the US spends \$8,233 per capita on healthcare, compared to \$5257 for Canada, \$4,618 for France, and \$3433 for the UK.¹

Ironically, although the preceding countries spend significantly less than the United States on healthcare, only one of the countries listed even cracks Bloomberg Newsweek's 2013 healthcare efficiency rankings - Sweden.² The most efficient healthcare system of any independent government belongs to Hong Kong where they spend a measly 3.8% of its GDP and just \$1,409 per capita on healthcare.² The US is ranked 46th out of 48 industrialized nations in healthcare efficiency.²

In the past, healthcare administrators, healthcare providers and healthcare-orientated politicians have tried to solve our system's deficiencies by dumping more capital into it. It may be easy to assume that America spends the most money on healthcare because it has a high quality product.

That's why we invest so much in our medical education, to train the best physicians in the world. That's why we invest so much in medical technology, so that we can develop the most sophisticated diagnostic equipment in the world. That's why we invest so much in biomedical and clinical research, so that we can pioneer some of the most cutting-edge scientific discoveries in the world. With all these investments, we must

have one of the best if not the best healthcare system in the world, right? Sure, we need change, but we must be doing better than most other industrialized countries, right?

Wrong and wrong.

According to the *World Fact Book* published by the United States Central Intelligence Agency, 49 countries rank higher in infant mortality rate, 47 countries rank higher in maternal birthing mortality rate and 35 countries rank higher in life expectancy.³

In America, many individuals have been living under the illusion that money equates with results. When we crunch the numbers, we see that this is just not the case. With a ballooning national deficit and high levels of uncertainty surrounding the current global financial environment, America has no choice but to adapt and to adapt quickly to the changing face of healthcare.

As Americans, it would be wise of us to take time to reflect on our way of thinking. We must be able to identify not only the things that we believe, but also the fundamental reasons as to why we believe them. Deep-rooted cultural phenomena arising from our nations history, as well as from modern political and economic practice, have established an intricate and convoluted mess that defines our nations current healthcare state.

Past healthcare reform has been blinded by the presence of competing philosophies and ideologies that ultimately yielded ineffective compromises or short-terms solutions. Our nation is bleeding, and we need more than a quick bandage to fix her this time. With economic and political crises imminent in our nations future, the patching

of bloody knees will get us nowhere unless we can illuminate the reason that we keep tripping.

While many books, papers and articles have been published on various barriers to American healthcare reform, few have comprehensively compiled all of them into one document; in this paper I will attempt to do just that. In essence, I hope to provide a meta-analysis of obstructions to healthcare reform that will give readers a brief overview of current barriers and a short synopsis of why they exist. I will use mostly secondary historical, political, economic and anthropological sources to support trends, claims and connections. This paper will provide aspiring physicians, healthcare professionals, and interested Americans with a base for understanding our healthcare reform, the barriers that plague it, and the hypothesized reasons as to why those problems exist.

(1900-1925) Chapter 2: Labor's Efforts for National Health Insurance Reform***NHI Developments Abroad Inspire Domestic Reform:***

At the turn of the 20th century, the United States envisioned plans for national healthcare insurance (NHI) that would address growing health disparities, rising medical expenditures and emulate the healthcare progression witnessed in other industrialized nations.¹⁰

As early as 1883, German Chancellor Otto Van Bismarck established “sickness funds” as a basic form of insurance that protected workers salaries from illness.¹⁰ While sickness funds were initiated principally to protect wages, they eventually evolved into more comprehensive health insurance programs that paid medical bills for employees, as political leaders and employers saw the financial benefits of sustaining a healthy workforce.¹¹

In 1904, the Socialist Party of America (SPA) openly supported NHI.¹¹ However, being founded just three years previously in 1901 at the Socialist Unity Convention, the SPA lacked the political clout to make an impact on healthcare policy and legislation.¹³

In 1911, the British Parliament passed the National Insurance Act that gave the British public a form of NHI funded partially by employers, employees and general taxation.¹⁰ American politicians began to notice the shift towards health insurance reform abroad. Teddy Roosevelt, who had opted not pursue a third term in office four years earlier, opened up a new campaign in 1912, with health insurance as one of his primary objectives.¹⁴ The following excerpt from his election platform highlights his goal for NHI¹⁴:

“The supreme duty of the Nation is the conservation of human resources through an enlightened measure of social and industrial justice. We pledge ourselves to work unceasingly in State and Nation for...the protection of home life against the hazards of sickness, irregular employment and old age through the adoption of a system of social insurance adapted to American use (14).”

While Teddy Roosevelt may have lost the 1912 election to Woodrow Wilson due to political factors outside of healthcare (i.e running as an independent party), his defeat did not necessarily quash his vision for healthcare reform.⁷ Over the next decade, health reform-minded interest groups began to organize and develop plans to address the countries growing need for NHI.

Influence of Organized Labor on NHI:

In 1912, the American Association for Labor Legislation (AALL) founded the Committee on Social Insurance (CSI).¹⁶ The AALL was an organization comprised of reform-oriented professionals from a multitude of careers.²⁶ The CSI was a taskforce chosen specifically for addressing insurance deficiencies in various fields of social welfare.¹⁶ In 1912, social welfare was still considered primarily the responsibility of the states, so any legislation proposed by the AALL would have to be ratified in each respective state to have national effect.¹⁶ Although NHI was a focal point of AALL objectives, employee compensation for missed work was of highest priority.¹⁶ Over the next three years, the AALL petitioned state governments to pass workmen’s compensation laws and successfully ratified such reform in 30 states by 1915.¹⁶

By the beginning of World War I (WWI) in 1914, 10 European nations had passed national health insurance of some kind.¹⁰ Although the US began to lag behind European countries in this regard, the recent success of the AALL in other social welfare issues (i.e. workman's compensation), gave promise to the American public that healthcare reform was possible and imminent.

First Legislative Push for NHI

A year later in 1915, in response to the growing political discontent and indirect competition from foreign governments, the AALL published a first draft bill for compulsory health insurance.⁵ The bill was proposed with workforce efficiency and social equality in mind, but it was limited because it applied only to manual laborers and employees earning less than \$1,200 a year (Average American income in 1920 was \$1236)^{11,68}. The cost was to be divided between employers (two-fifths) employees (two-fifths) and the state (one-fifth).¹¹ The AALL's two main goals were to decrease poverty as a result of illness, and to reduce the social costs of illness by providing financial incentives.¹¹

Over the next two years, the AALL found sponsors to introduce the healthcare proposal to 12 states and appointed study commissions for eight of the 12.¹⁷ Study commissions from the states of California, Massachusetts and New Jersey all supported the proposal in initial reviews.¹⁷ The AALL proposal also found support from renowned politicians, including former President Teddy Roosevelt.¹⁷ Additionally, AALL legislation found backing from prominent medical interest groups including the American Medical Association (AMA) and the American Hospital Association.¹⁶

The editor for the Journal of the American Medical Association wrote, “No other social movement in modern economic development is so pregnant with benefit to the public.¹⁸” Furthermore, the AMA Secretary of the Council on Health and Public Instruction promoted the bill by writing to the AALL, “Your plans are so entirely of our own that I want to be of every possible assistance.¹⁸” Even state-level medical societies in Pennsylvania, Wisconsin and New York favored the AALL proposed compulsory health insurance.¹⁸

Irving Fisher, renowned economist from Yale University and President of the AALL, adamantly supported healthcare reform from a social and economic perspective. The following is an excerpt taken from Fisher’s January, 1917 address to a joint meeting between the AALL and the American Economic Society, titled “The Need for Health Insurance:”

At present, the United States has the unenviable distinction of being the only great industrial nation without health insurance. Health insurance is like elementary education. To function properly, it must be universal, and to be universal, it must be obligatory...Germany showed the way in 1883. Her wonderful industrial progress since that time, her comparative freedom from poverty . . . and the physical preparedness of her soldiery, are presumably due, in considerable measure, to health insurance (17).”

NHI Fails on Various Fronts

Unfortunate Timing of Foreign Conflict

Unfortunately for Fisher and other main proponents of NHI, the US congress

declared war on Germany and entered WWI on April 4th, 1917, four short months after Fisher's address.¹⁶ Anti-German hysteria gripped the nation; anything associated with the axis enemy was assumed "un-American"¹⁸. As a result, many patriotic Americans began to view NHI as a form of foreign political pollution that would lead to the "Prussianization of America."¹⁸

Waning Support from Medical Community

The negative public opinion on healthcare seemed to snowball following the US engagement in WWI. Large statewide medical societies began to withdraw support for the AALL compulsory health insurance proposal.¹⁸

Many physicians lost favor in the bill because it would decrease their incomes.¹⁸ One New York physician stated that he believed 99% of physicians entered their fields as a way to earn a living, thus, a threat to one's livelihood would not be well tolerated among the medical community.¹⁸

While one should be cautious of such an absolute claim, this physician raised a very important point. Most physicians in 1920 were self-employed through private practice and thus, were likely financially driven businessmen.

Being so, physicians of this time period were inherently biased. Thus, it is unlikely that they could have been reliably called upon to make decisions addressing healthcare funding, when they themselves were primary beneficiaries in its current system of financing, especially when changes to the status quo would have potentially resulted in a net loss of revenue for their businesses. Needless to say, reform of healthcare pay structure seemed near impossible without the support of those responsible

for its delivery - physicians.

State Legislatures Reverse Early Backing of NHI

Along with disgruntled physicians, the AALL bill began to lose favor in state legislatures¹⁶. California, one of the states where study commissions had initially reported favorably on the AALL bill, defeated a vote to pass state government health insurance in 1918.¹⁶ In 1919, New York State legislature voted to remove the bill from committee, and by 1920 the remaining states in the union followed suit.¹⁶

The AALL compulsory health insurance bill was never ratified in any US state.¹⁶ By 1920, the AMA House of Delegates, which had previously openly supported the AALL bill, issued a public renunciation of compulsory health insurance.¹⁸

Influence of Foreign Politics

AALL bill writers had advocated for a compulsory health insurance as a way to eliminate poverty by redistributing the cost of medical care to workers, employers and the state; they argued that since workers themselves were not singularly responsible for the conditions that caused sickness, they should not have to bear alone the financial burden of any illness incurred.¹¹ Furthermore, the AALL claimed that only a compulsory and not voluntary system would suffice to cover the broad financial spectrum of employees, many of which would not be able to afford the mutual plans offered by fraternal societies and unions, if a comprehensive all-inclusive payment pool was not established.¹¹

However, most proponents of NHI supported it as a means of income stabilization, not income redistribution.¹¹ In fact, income redistribution would become

widely disdained because of its association with socialist ideology.

In 1917, the Bolshevik revolution in Russia captured the world's attention, and the introduction of communism by the new Union of Soviet Socialist Republics (USSR) contested the capitalist economic model.¹⁶ The USSR, with its radical form of socialism, and the Socialist Party of America, with its avid support for NHI, became unwarranted supporters of NHI and may have doomed the AALL bill by association.

Nationalistic Americans and right-wing politicians were likely threatened by extremist, foreign ideology that endangered current American political and economic systems. This fear may have been justified, given the overarching political goals of the USSR; the Soviets wanted to disseminate Bolshevik propaganda throughout the US, but the US government prevented the formation of a Russian Bureau of Information in America in 1918.¹⁹

Fears materialized into nightmares in the Summer of 1919, which would become known as "The Red Summer." The violence, which was centered on racial issues, was a clash between white supremacists and Bolshevik influenced African-Americans who were fighting their white counterparts in the name of racial equality.²⁰

In 1919, the Committee of the Judiciary of the United States Senate investigated the issue of Bolshevik propaganda, which at the time was seen as a main proponent in the summer violence; an American intelligence officer known as Mr. Stevenson provided key testimony:

"There are a large number of persons connected with this organization[US senate] that sympathize with the Bolshevik and Soviet form of

government..foreign agitators should be deported; the bars should be put to exclude seditious literature from the country; American citizens that advocate revolution should be punished under a law drawn for that purpose...so long as the Bolsheviks control and dominate the millions of Europe, so long that it is going to be constant menace and encouragement to the radical and dissatisfied elements of this country (19).”

The Communist Labor Party formed in the US in 1919.²¹ During the same time period 3,300 labor strikes occurred nationally.²¹ Strong convictions by men such as Stevenson led the United States government to secure an active role in quashing the potential for a domestic Bolshevik rebellion.²¹

US Attorney General A. Mitchell Palmer deported 249 soviet immigrants, and indefinitely incarcerated 5,000 American citizens between 1919 and 1920, as part of a large anti-communist movement.²¹

With the political landscape precipitously falling out of favor with socialist policy, its no wonder why the AALL bill saw such heightened contestation in the latter years of its legislative contention. To support the AALL bill was to associate oneself with racial equality and Soviet communism, both of which were inexcusable - if not socially treasonous - in 1920's America.

Competing Reform Objectives

Furthermore, physician Ian Rubinow, one of the primary authors of the AALL bill, had larger ambitions for medical reform that may have compromised NHI; inspired

by revolutionary feats of Germany and Great Britain, Rubinow hoped to improve on their success.¹¹

He pushed for more radical changes to healthcare in issues such as private versus government-controlled practice and general versus specialized practice.¹¹ Having already lost favor for the AALL bill due to potential loss of financial compensation for medical services, many physicians likely felt threatened by Rubinow's aggressive reform objectives that now threatened their autonomy. As opposition against NHI mounted within the medical community, the AALL success of the AALL bill seemed more improbable.

Failure to Collaborate with Other Interest Groups

While the AALL lost support among those most likely to suffer by its passing, surprisingly, the AALL failed to earn support from organizations that could have been valuable to their cause, including the American Federation of Labor (AFL).¹¹ AFL President, Samuel Gompers, denounced compulsory healthcare on the basis that it could compel workers to rely economically on the government rather than themselves, and in effect destroy trade union solidarity.¹¹

This unfortunate competing interest and ulterior motive of the AFL revealed that while the AFL's purpose was to enhance working conditions and benefits, it was most concerned with its own self-preservation and autonomy. Although passing of state sponsored compulsory health care would benefit members of the AFL, the AALL bill would weaken the need for the AFL, and thus the organization would prefer to oppose such a bill than to risk losing its voice in workplace politics.

AALL NHI Bill Failure Summary

Ultimately, it seems that the AALL wanted too much too quickly. Its adamancy for compulsory rather than voluntary insurance alienated its bill from right-wing politicians that feared social policies and profit-oriented corporations that could not justify the redistribution of funds to supply every employee with adequate medical protection. Supplementary reform objectives such as those proposed by Rubinow, dragged the bill down by muddling its primary aim.

The AALL's inability to sustain a positive relationship with physicians dispossessed the bill of perhaps its most important support network. Failure of the AALL to functionally cooperate with other social welfare organizations such as the AFL and important interest groups such as the AMA led to lost opportunity. Meanwhile, the social and political ramifications of WWI and the Russian Revolution on American society interrupted the bill's initial momentum and confounded any realistic possibility of its ratification. By 1925 the New York State Medical Society declared that health insurance was "a dead issue in the United States."¹⁸

(1927-1945) Chapter 3: Franklin Delano Roosevelt and National Health Insurance Reform***Medical Community Organizes to Study Status of US Healthcare System******The Committee on the Cost of Medical Care***

A decade after the AALL had successfully accomplished its goals of ratifying workmen's compensation laws in most US states, the concern over employee medical costs began to eclipse the importance of lost wages due to sickness.¹¹ Disgruntled delegates from the AMA National Convention formed The Committee of Five; a taskforce composed of some of brightest administrative minds in medicine, whose aim was to construct a report to give at the 1927 AMA national conference that would sway its members into seriously considering exploring the economics of healthcare.¹⁰

The Committee of Five was successful and in 1927 the AMA founded the Committee on the Cost of Medical Care (CCMC), which would monitor healthcare related economic statistics over the next five years with the intent of describing a method to efficiently enact healthcare reform.¹⁰

Some of the CCMC's early studies found that medical costs were 20% higher than lost earnings due to missed work for families with annual incomes of \$1200, and 85% higher for families with annual incomes between \$1200-2500.¹¹ These data revitalized the necessity for healthcare insurance but its feasibility remained in question.

Rising Need for Health Care Reform

In 1929, income inequality reached an all time; the top 10th percentile of Americans accounted for 49.3% of the nation's income⁸. The stock market crash of 1929 initiated what would later become known as the "Great Depression"²².

This lingering financial disparity exacerbated rising health care costs as low-income patients lost the ability to pay medical bills.⁹ In 1930, the average received payment per patient in hospitals fell from \$236.12 to \$59.26⁹ and the net income of physicians fell by 17% during the first years of the depression¹⁸, which further inhibited the medical communities flexibility with regards to financing patient medical bills.

By 1931, private hospitals operated at 61% occupancy, choosing to turn away patients that did not have the ability to pay rather than risk financial compromise.⁹ Income from charitable endowments to hospitals declined by almost two-thirds, while the need for charitable donations increased four-fold.¹⁸

All of these financial limitations led to major issues in healthcare access. However, despite the apparent need for healthcare reorganization, ideas of large-scale national healthcare reform were smothered beneath the overwhelming heap of social and economic issues the country was facing.

The CCMC Final Report

The Final Report of the CCMC, which was published in 1932, gave recommendations for how the US should proceed with respect to health insurance. The CCMC was split on opinion and therefore provided a majority (36 members) and minority (8 members) recommendation, which I have summarized below:

Recommendations of the Majority Group¹⁰

- I. Preventative and therapeutic services should be administered by organized groups of healthcare professionals. The facilities in which care is provided should be organized into medical centers, preferably focused around a hospital. This organization should encourage high standards and preserve good patient-physician relationships
- II. The population should have access to all basic public health services
- III. Group payment of medical services should be facilitated by either health insurance, taxation or both
- IV. Agencies should be established to study, evaluate and coordinate medical services
- V. Reform to physician, dentist, pharmacist, nurse, nursing-aides and midwife education

Recommendations of the Minority Group¹⁰

- I. The government should only be involved in medical treatment of “those patients with diseases which can be cared for only in governmental institutions”, military and military veterans
- II. Government should provide medical care for poor
- III. In accordance with majority group recommendation IV
- IV. Corporate practice of medicine should be opposed and even eliminated
- V. Medical societies should develop plans for care

Analysis of the Final Report

One significant omission from both the majority and minority recommendations was the compulsory component to health insurance.¹⁶ In fact, most CCMC members favored private over government-sponsored health insurance.¹⁶

By this time, European experiments with private healthcare provided examples of how these plans had failed to protect the lowest income brackets; most nations deferred to a national health insurance model because by distributing healthcare costs to the entire population, using a compulsory obligation, the system ran more efficiently.¹⁶

Perhaps the CCMC dismissed these European trials on the basis of pride, and economic and ideological differences. One argument proposed by the CCMC was that Americans enjoyed a higher standard of living than their European counterparts, and as such, could avoid many obstacles they encountered with the private model.¹⁶ Furthermore, the US prided itself on free enterprise; the CCMC would not undermine the identity of American economics by supporting government run health insurance.

Moreover, the CCMC final report came out just over a decade after the Russian Revolution; an aversion to government run programs, particularly compulsory ones, would have been in the best interest of an organization seeking to maintain its political clout.

Despite careful political maneuvering, the CCMC failed to win the support of physician groups, most notably the organization that founded it, the AMA.¹⁶ The CCMC's recommendation of institutionalized medicine stood in stark contrast with the culture of 1920's American medical practice.¹⁶ Physicians were accustomed to autonomy and internal self-regulation; the CCMC recommendations threatened to take this away.

While the CCMC Final Report was not a legislative bill, it represented a step forward towards insuring millions of needy Americans. Its data analysis provided insight into the scope of the issue, and raised public awareness of its great importance.

The two most unfortunate inhibitions that plagued the Final Report were lack of physician support and timing. The CCMC, like the AALL, failed to win over physician organizations and thus faced heavy resistance to its recommendations. Additionally, by the time the Final Report was published, the US had fallen into the worst economic recession in history - The Great Depression.

Franklin Delano Roosevelt, Social Security and NHI

The First 100 Days

When Franklin Delano Roosevelt (FDR) assumed the presidency in 1932, he inherited an economy three years stagnated by the Great Depression.⁶ Unemployment rates hit a record high 24% in 1932, and many of those with jobs were employed part-time.²³ Forty percent of the nations estimated 25,000 banks closed by 1933.²²

Farmers, who comprised one quarter of the US workforce²³, saw the market price of agricultural products fall by 54%²², causing many farms to foreclose on their mortgages.⁶ National average income dropped by more than 50% between 1929-1932; the manufacturing and construction industries were affected most heavily, experiencing drops in income of 70 and 80 percent respectively.²³

Struggling to survive the global economic crisis at hand, healthcare insurance reform was not an immediate goal for the FDR administration. During the now

immortalized “First 100 days,” FDR implemented programs and government agencies that focused on creating jobs, stabilizing agricultural prices, insuring banks and regulating the stock market, that collectively became known as “The New Deal.”⁶

The Committee on Economic Security

In June 1934, FDR established the Committee on Economic Security (CES) to address issues with an aging population, unemployment, medical care and insurance⁵; FDR envisioned a social insurance program that would be national in scope.⁵

Two reform-minded public health experts who had been on the CCMC, Edgar Sydenstricker and I.S. Falk, spearheaded the studies of the Risks to Economic Security Arising From Ill Health.²⁵ Sydenstricker and Falk’s adamancy towards group practice and compulsory health insurance reinvigorated former tension with the AMA; their association with the CES led the Journal of the AMA to state that the committee’s views were completely antagonistic to the medical point of view, while other conservative physicians went so far as to claim they were inciting to revolution.²⁵

However, the views of Sydenstricker and Falk were not necessarily representative of the whole CES. In fact, most CES members were reluctant to include national health insurance in its plans.²⁵ While Sydenstricker believed “the most important thing now of course is to get health insurance – or medical care – or surgical care and health – into the President’s program,” other key CES members, Altmeyer and Witte, chose to focus on what was possible rather than best.²⁵

Sydenstricker sensed Witte's presence and told Falk that he would hold Witte away from Ross McIntire, a CES member with considerable influence on FDR.²⁵ Furthermore, Sydenstricker chose to bypass Witte and directly discuss his goals for NHI with Surgeon General Parran.²⁵

To deflect growing dissent from the AMA, Sydenstricker suggested the formation of the Medical Advisory Board (MAD), which would be composed of prominent physicians such as AMA President Walter Biering; FDR liked and approved the idea.²⁵

Meanwhile, FDR received countless telegraphs from concerned Americans, many of which were from medical societies, protesting national health insurance.²⁵ Many became worried that forceful opposition to NHI by AMA and others would deter FDR's interest in Social Security altogether. However, the President deflected those concerns by saying "there is no way of appeasing that crowd."²⁵

In November 1934, FDR opened the Conference on Economic Security with a speech.

Whether we come to this form of insurance soon or later on, I am confident that we can devise a system, which will enhance and not hinder the remarkable progress, which has been made and is being made in practice of the professions of medicine and surgery in the United States (25).

FDR's ambiguity in this excerpt highlights the murkiness of the political atmosphere surrounding health insurance reform. His words were carefully chosen to address the issue while maintaining political neutrality and avoiding conflict. The first MAD meeting, which was part of the conference, was considered a failure by the FDR

administration given that the representatives essentially used it as a forum of public renunciation of NHI.²⁵

In response to the opposition from MAD, Witte and Perkins agreed to postpone further development of any NHI legislation to March, which meant that it would not be included in the Economic Security report scheduled for January.²⁵

As the January deadline approached, fear arose among reform-minded committee members that omission of any discussion on NHI in the CES January report may cause FDR to abandon NHI altogether. Thus, a statement was included that a plan to address NHI was imminent.¹⁶

Influence of Medical Community on Social Security

The statement regarding NHI in the CES report aroused a large backlash in the medical community and the AMA called its first emergency session in over a decade to discuss a counter action.¹⁶

Sensing rising dissent against NHI, the CES consulted the President; FDR concluded that NHI should not be further publicly discussed until the Social Security Act, which was still pending in Congress, could be ratified.¹⁶ Meanwhile, Sydenstricker and Falk continued work on their report and began drafting an NHI bill, which they hoped could be added to the Social Security Bill as an amendment.¹⁶

Social Security Passes, NHI Abandoned

President Roosevelt signed the Social Security Act (SSA) on August 14, 1935. When the Social Security Board (SSB), which was established as part of the SSA,

contacted President Roosevelt's Secretary, Stephen Early, about what should be done with the still unpublished Syndenstricker and Falk report, he told them to "forget about it," claiming it was an "old report" to which FDR "hopes no publicity will be given".²⁵

By this point, it seemed that FDR had made up his mind with regards to his legislative ambitions. FDR preferred to extend the supply of medical care to a few Americans rather than try and guarantee access to medical access to all Americans.²⁵

Second Push for NHI Under FDR Administration

U.S. Government Renews Interest in Health Care Reform

In 1935, FDR established the Interdepartmental Committee to Coordinate Health and Welfare Activities (ICCHWA).⁵ The ICCHWA included members of the SSB including I. S Falk, who had been one of the largest proponents of including NHI as part of SSA.²⁶ The ICCHWA's role was to facilitate the cooperation of Federal agencies with State and local agencies.²⁸

The U.S Public Health Service conducted the first ever National Health Survey (NHS) between 1935 and 1936, which covered 800,000 families and 2,800,000 people²⁸; the results prompted a renewed discussion over health care reform and health insurance.

The NHS discovered that poor American's were 47% more likely to encounter acute illness and 87% more likely to encounter chronic illness.¹⁶ These data suggest that poor American's were not receiving the same public health focus as the rich; poor American's likely failed to receive information on disease prevention and likely never received the same preventative medical care as their wealthy counterparts.

Furthermore, wealthy American's on average had 46% more doctor's visits

during periods of sickness than impoverished American's; demonstrating the growing gap in medical care accessibility.¹⁶

Technical Committee on Medical Care

Perhaps in response to the unfavorable report of the NHS, FDR established the Technical Committee on Medical Care (TCMC) in 1937 as a sub-committee to the ICCHWA.⁵ By February 1938, the TCMC issued a report titled "The Need For a National Health Program." An excerpt from the introductory note summarizes the United State's 1938 position in healthcare.

Sickness strikes at the basis of national vitality; the good health of the population is vital to national vigor and well-being... The amount of preventable sickness and disability which continues, the volume of unattended disease, the rate of premature mortality and the prevalence of avoidable economic burdens created by sickness-costs, justify grave concern (29).

The TCMC reported that 4 million or more persons were disabled by illness everyday, and 70 million sick Americans a year lost 1 billion days of work due to illness.²⁹ The reported cost of illness and premature death in the U.S in 1938 was 10 billion dollars.²⁹ These staggering numbers provided a strong impetus to enact change. The TCMC provided five key recommendations to the U.S. government in its report that are summarized below²⁹:

I.) Expand public health and maternal and child health services under existing

titles of the Social Security Act

II.) Provide Federal grants for States to construct hospitals and help defray operating costs during the first three years

III.) Provide Federal grants-in-aid to the states to support a medical care program for medically needy persons

IV.) Provide Federal grants-in-aid to the states to support a general medical care program

V.) Federal action to develop a program of compensation for wage loss due to temporary and permanent disability

With these five recommendations, a scheme for a 10-year program was proposed in which the Federal government would cover half of the projected \$850,000,000 cost of the National Health Program.²⁸ FDR approved the report for public review with the condition that a National Conference would be called to further discuss the plans made in the proposal.²⁸

National Health Conference

In June 1938, a National Health Conference (NHC) was called by the ICCHWA to discuss the TCMC final report titled “A National Health Program (NHP).”⁵ Among those invited were physicians, nurses, social workers, medical school faculty, healthcare administrators, public health officials as well as representatives from organized medicine, organized labor and general consumers.²⁸ On the second day of the Conference, Attorney General Dr. Thomas Parran gave a statement in a national broadcast:

Those of us who are concerned with the progress of medical science usually think that the great events of medicine occur only in the research laboratory or the operating room. We are witnessing here in Washington another kind of progress in medicine – an effort to put medical science to work. The National Health Conference may well be the greatest event in medical science, which has happened in our time (28).

Parran would have been right in his assertion if only the TCMC could have successfully put their proposal into practice. While the NHC did much to collectivize independent interest group's opinions on the future of healthcare and to educate the public on the need for healthcare reform, political inaction and resistance from the medical community plagued the TCMC proposal.

Another factor contributing to the Conference's shortcoming was that at the commencement of the conference, it was declared that no effort would be made to reach any consensus in opinion with regards to the TCMC recommendations.²⁸

Medicine and Labor Denounce the TCMC General Medicare Program

Not surprisingly, while much enthusiasm was made of recommendations I, II, III and V in the general conference, organized medicine, more specifically the AMA,

strongly contested the federally supported general medical care program proposed in recommendation IV.²⁹

Objections from the AMA logically stemmed from its enduring battle against NHI. Within the TCMC proposal, a government-run health program would be funded by taxation, health insurance or a combination of the two.²⁸ While the National Health Program proposal did not call for compulsory health insurance, it did recommend national health insurance be employed to a fraction of the population.²⁸ However, likely in a preemptive strike, the AMA took swift action to oppose momentum of any nationally sponsored health insurance, compulsory or not.

Additionally, the American Federation of Labor did not fully support health insurance.²⁵ AFL President William Green publicly stated that the time was not yet right to pursue NHI and that unemployment insurance was of higher priority.²⁵

Nonetheless, FDR passed the TCMC report along to Congress, but didn't give any specific instructions to legislators of what to do with the proposal's recommendations.²⁹

NHI, FDR and Preparation for the 1940 Election

By 1938, the political climate had begun to shift towards the right. A decisive 1937 defeat of FDR's "Court Packing" plan in Congress a year before, which would have amended the number of Supreme Court Judges the President could appoint, unified conservative congressmen with Republicans.²⁹

In 1938, FDR suffered a series of defeats against New Deal legislation that further compromised his re-election position²⁹. Sensing a loss of political momentum, FDR chose to lessen his public support of NHI as a way to avoid loss of further political support.

FDR's political maneuvering did not stop there. Looking back to when the Social Security Act was still under congressional consideration in 1935, legislators had selected to exclude farmers and domestic servants from its benefits to avoid disrupting the social order of the South.²⁵ NHI represented a similar threat to the autonomy of Southern culture.

Furthermore, prominent African-American organizations including the National Medical Association (NMA, an AMA African-American counterpart) and the National Association for Advancement of Colored People (NAACP) openly supported NHI²⁵.

FDR may have averted supporting NHI both to avoid disrespect to Southern culture and to avoid the risk of supporting racial equality, in an attempt to appease Southern democrats in preparation for the upcoming Presidential election.

The Wagner Bill of 1939

Despite FDR's waning interest in supporting NHI, close friend and New York Senator Robert F. Wagner took it upon himself to draft what would become known as the Wagner bill.²⁹ The Wagner bill, which incorporated the TCMC's National Health Program, was presented to Congress in April 1939.²⁹

Soon after, the AMA developed the National Physicians' Committee for the Extension of Medical Service, an internal committee whose purpose was to lobby against the Wagner bill.²⁹

Senator Wagner managed to schedule 11 congressional hearings to discuss the bill.²⁹ Representatives from organized labor and groups from welfare and agriculture supported the bill while the organized medical groups including the AMA, the American Hospital Association and the American Dental Association all openly contested the bill.²⁹

After much deliberation, Congress decided to take additional time to study the bill and planned to present an amended version of the Wagner bill at the next session²⁹. The National Health Program and NHI would have to wait.

Foreign Conflict Interrupts Reform Yet Again

Four months after the US Senate decided to postpone discussion on the Wagner bill, World War II began when Germany invaded Poland on September 1st, 1939.²⁹ FDR's attention turned away from domestic issues and focused on escalating military conflict in Europe.

The President was too preoccupied with the conflict abroad to yield time to support the Wagner bill and the bill died in committee later that year.²⁹ When the Japanese attacked Pearl Harbor on December 7th, 1941, it would be nearly two years before healthcare reform would reach Congress again.

The Wagner-Murray-Dingell Bill of 1943

While FDR was busy carrying out his Commander-in-Chief duties, the Social Security Board (SSB), led by Senator Wagner and his colleagues Reid Murray and John Dingell, were hard at work preparing a new bill to propose to Congress.²⁵

The 1943 Wagner-Murray-Dingell (MWD) bill, unlike its 1939 predecessor, was structured completely as a federal program rather than federal-state program²⁵. This was beneficial because it insured that all American's could be guaranteed universal healthcare access through NHI, however, it may have alienated the bill from Republican congressman who favored strong state government control.²⁵

Wartime policy and involvement of other US governmental departments with organized medicine may have inadvertently stalled the progress of the MWD bill. The US Public Health Service formed a partnership with the American Hospital Association to support medical research and hospital construction, effectively removing a bartering chip from the SSB arsenal.²⁵

Furthermore, policies set in place by the Internal Revenue Service and the War Labor Board encouraged employers to provide private health insurance, which weakened the need for the NHI programs proposed in the MWD bill.²⁵ Later that year, the MWD bill died in committee.

FDR's Post War Support of NHI Derailed By His Death

As WWII shifted towards the favor of the Allies in 1943, FDR prepared for the Presidential election of 1944.²⁹ FDR included an economic bill of rights in his campaign that guaranteed Americans the right to adequate medical care and the opportunity to achieve and enjoy good health.²⁹ FDR publicly stated his intentions to address Congress on healthcare reform, but FDR's sudden death in April 1945 ended all hopes of imminent change.

Summary of NHI Failure Under FDR

The 1932 CCMC final report enlightened politicians, organized medicine and the general public that changes to the current healthcare system were gravely needed.

However, when the reform-minded FDR first stepped into office, he was forced to focus on economic issues spurred by the climax of the Great Depression, and thus could not functionally address the healthcare recommendations laid-out by the CCMC.

Although the creation of the CES represented a leap forward for social reform in 1934, FDR conceded to pressure from organized medicine far too readily and dropped support for NHI, fearing that its inclusion in SSA would doom the alternate objectives of the bill, which he considered higher priority. FDR assumed that NHI could always be added as an amendment to SSA, but this assumption never materialized.

Establishment of the ICCHWA and its subsidiary, the TCMC, as well as the conduction of the first National Health Survey, reinvigorated the FDR administration's interest in NHI. However, failure of politicians to reach a consensus with organized medicine and labor on the recommendations laid out by the TCMC National Health Program proposal, at the National Health Convention, enabled delayed political action yet again.

The AMA continued to manipulate the political climate with its tactful protestation and lobbying efforts, and as always, FDR conceded to their powerful opposition. AMA unrest, in combination with a series of New Deal legislative defeats in Congress, forced FDR to reassess his political position in light of the upcoming 1940 election. Over the next year FDR engaged in political tiptoeing that may have cost NHI.

When a formal bill including NHI was finally proposed to Congress, FDR failed to openly and avidly support Senator Wagner's legislation. The same similar pattern ensued; AMA lobbyists heavily contested the bill, which led to political inaction and indecision. Congress postponed further discussion of the bill and the explosion of foreign tension arising from the commencement of WWII provided a distraction that would eventually lead to the bill's failure.

Wagner and his associates pushed for a second bill but its failure was marred by similar problems. FDR failed to openly support it, and organized medicine heavily contested the bill. Political conservatives despised its focus on Federal rather than state programs, and policies enacted by separate government agencies that supported private health insurance undermined the need for NHI.

As WWII came to a close, substantial optimism grew that FDR would finally make NHI a priority. However, his death subdued growing momentum; NHI would have to await a new President to champion its cause.

The longevity of the FDR administration was an unprecedented and unrepeatable feat in American politics. At no point in the history of our nation have the circumstances surrounding the Presidency been so in favor of a legislative enactment of NHI than during the 13 year tenure of the FDR administration.

While FDR faced a myriad of opposition from political enemies and organized medicine, prioritization of NHI by his administration would have likely resulted in its ratification. It could be argued that had FDR made a concerted effort to pass NHI, it would have compromised him politically and led him to lose subsequent elections.

However, given the state of foreign affairs (i.e WWII), I believe that any action to directly benefit more American citizens, such as universal health insurance, would have served as proponent for his political support.

FDR's lack of prioritization of NHI and his subsequent failure in accomplishing its ratification bears similarity to the story the AALL. In 1916, the AALL chose first to focus on workmen's compensation insurance rather than NHI. After accomplishing its first goal, the AALL was unable to pass NHI. In a similar manner, FDR chose first to focus on SSA. After accomplishing his first goal, FDR was unable to pass NHI.

(1945- 1953) Chapter 4: The Harry S. Truman Administration

Truman Chases FDR's Vision for NHI Reform

After the inconvenient death of FDR in April 1945, any progress with regards to NHI seemed hopelessly lost. However, soon after Vice-President Harry S. Truman assumed the Presidency, his intentions to support healthcare reform were made evident. Truman sent a revised copy of the Wagner-Murray-Dingell bill to Congress and by doing so, accomplished something FDR never did; provide public written support to NHI.¹⁶

Wagner-Murray-Dingell Revised

The revised Wagner-Murray-Dingell bill became a topic of political controversy and congressional discourse over the course of the next five years. In 1946, Senator Robert A. Taft proposed a bill to counter the Truman supported Wagner-Murray-Dingell bill.¹⁶

The Taft-Smith bill would have authorized \$200 million in Federal grants to State governments, subsidizing private health insurance bills.¹⁶ The Truman administration disapproved of the new bill and it too failed to gain any traction in Congress.

Truman Loses Foothold in Congress

Later in 1946, the American public elected its first Republican Congress since 1932.¹⁶ Not surprisingly, the newly elected Congress strongly contested Truman and his goals for NHI.

Coldwar Tensions Distract NHI agenda

In 1947, cold war tensions picked up and temporarily distracted the Truman administration from its domestic agenda. President Truman declared the “Truman Doctrine”, which stated that the United States would provide assistance, whether political, military or economic, to all democratic nations under threat from any aggressor³⁰. Later that year, The United States became tangled up in the Greek Civil War, saw Czechoslovakia fall to a Soviet sponsored coup, and watched the USSR put up the Berlin wall in Germany³⁰.

Election Year Sidelines NHI

Truman decided to temporarily delay his plans for NHI as he prepared for the daunting task of reelection in 1948. After a surprise victory, Truman revitalized his administrations interest in NHI reform.¹⁶

Familiar Foes: Organized Medicine, Economic Recession and Foreign Conflict*AMA Lobbies Against NHI*

Despite Truman’s greatest efforts, perennial roadblocks resurfaced. Soon after his reelection, the AMA House of Delegates approved a record \$4.5 million lobbying campaign against the latest version of the Wagner-Murray-Dingell bill.¹⁶

Another Inopportune Recession

In 1949, the US economy slipped into recession as currency deflation and unemployment rose steadily.¹⁶ Between 1948 and 1949, the United States Gross National

Product (GNP) fell by 10.1 billion dollars (3.8%), the average national income decreased by 7.4% and industrial production fell by 10.4%.⁵⁵

Anti-Communist Hysteria Smears NHI Reform

Most devastating to the NHI bill, was the spread of anti-communist hysteria. Prominent U.S State Department official Alger Hiss was incarcerated on allegations of conducting espionage for the Soviet government.¹⁶

In 1950, Senator Joe McCarthy initiated an anti-communist campaign that would later become known as McCarthyism.⁶² In a February speech the Senator claimed that 205 employees of the State were in fact colluding with the Communists.⁶² McCarthy also accused prominent Hollywood actors such as Charlie Chaplin of being Communists.⁶²

In the same year, the USSR detonated its first atomic bomb.¹⁶ Later that year, the Chinese communist revolution rocked the world.¹⁶ In 1950, the outbreak of the Korean War further sabotaged the NHI bill by diluting its importance.¹⁶

Chronic Failure

The Wagner-Murray-Dingell bill was revised and rejected by Congress five separate times.¹⁶ A disenchanted Truman chose not to run for reelection in 1952 and his successor, Republican WWII General and war hero, Dwight D. Eisenhower, strongly opposed the NHI bill and ensured its demise upon his election.

Truman's Lost Battle for NHI

When Truman inherited the Presidency upon the surprise death of FDR he seemed supremely positioned to champion the cause of his late white house counterpart. He might have been successful too if not for the escalation of domestic and foreign conflicts over the course of his tenure.

Competing health insurance bills such as the one proposed by Senator Taft split public opinion on NHI and hurt both political sides from enacting healthcare reform.

Truman encountered more political struggles when the Democrats lost control of Congress in 1946, further inhibiting his chances of passing any NHI legislation. Furthermore, political tiptoeing in light of the 1948 election wasted valuable time and stalled any momentum developed during the ongoing deliberations surrounding the Wagner-Murray-Dingell bill.

Cold war tensions were heightened in 1947 when the President announced the Truman Doctrine, which syphoned much of his time and focus away from NHI. Communist hysteria scared away potential supporters who viewed NHI as ideologically communist.

As in previous reform efforts, an inopportune economic recession distracted Washington from NHI reform.

Lastly, the AMA, a familiar foe, dramatically affected political opinion through its aggressive lobbying campaigns and further clouded any possibility of NHI reform.

Truman's decision not to seek reelection handed the white house over to the Republican's for the next eight years. NHI would not receive serious consideration again until John F. Kennedy was elected President.

(1961-1963) Chapter 5: The John F. Kennedy Administration

When John F. Kennedy was sworn in as the 35th President of the Union on January 20th, 1961, healthcare reform began to awaken from its dormancy. One year prior to Kennedy's inauguration, the United States congress passed the Kerr-Mills bill, which created a new program called "Medical Assistance for the Aged."¹⁶ The bill gave federal funding to states that wished to support "medically indigent" elderly, which was defined as individuals who were not covered by the Old Age Assistance program in SSA and who are unable to pay for their medical bills.³¹

The King-Anderson Bill

During his campaign for the Presidency, Kennedy referred to the Kerr-Mills Act as inadequate and promised to improve its deficiencies if elected, and he did just that.¹⁶

Soon after inauguration, Kennedy sent a message to Congress on healthcare and had Senator Anderson and Representative King sponsor the King-Anderson bill, a precursor to Medicare.¹⁶ The King-Anderson Bill would amend SSA to provide elderly over the age of 65 with financial assistance with hospital and nursing home stays.³²

Unfortunately for Kennedy before the King-Anderson bill escalating troubles in foreign affairs including the botched Bay of Pigs Invasion in Cuba and the Berlin Wall Crisis exasperated the political climate.¹⁶

Private Health Insurance Emerges

Private health insurance was rapidly developing during this time with rigorous support from organized medicine. The Blue Cross Association worked diligently to produce a low-cost program, which it unveiled just prior to the congressional vote on the Anderson-Javitz bill, a modified version of the King-Anderson bill.¹⁶

The Anderson-Javitz bill

The Anderson-Javitz bill was defeated in the U.S Senate in 1962.³² Despite this failure, Kennedy was undeterred in his aim to enact NHI for the elderly. In 1963, The Subcommittee on the Health of the Elderly deemed the Kerr-Mills Act to be ineffective and incomplete, providing renewed impetus for Kennedy's Medicare.³¹

However, just as before with the Wagner-Murray-Dingell bill, the AMA initiated large political lobbying efforts and public education programs denouncing Medicare.¹⁶ AMA publications warned that Medicare, a socialist-oriented reform, could lead to socialization of all aspects of American society and even lead to a welfare state.¹⁶

Furthermore, the American Medical Political Action Committee (AMPAC), which was founded in 1961 by representatives of organized medicine, campaigned heavily against Medicare as well.¹⁶

Civil Rights and Racial Conflicts

Due to the sensitive political situation surrounding Civil Rights, President Kennedy had to walk the line between upholding the rights for racially oppressed

Americans and appeasing the desires of Southern democrats who rejected further Civil Rights legislation.⁶⁴

In 1961, President Kennedy sent US marshals to escort “Freedom Riders,” African American’s who boldly exercised their rights to public transportation despite threats of violence. This did not sit well with racist politicians.

In 1962, an African-American Civil Rights activist named James Meredith attempted to enroll into the University of Mississippi.⁶⁴ Despite military escort, Meredith was denied admittance after a violent rise of violent racial protestation on campus forced Meredith and the Kennedy sanctioned military to retreat.⁶⁴ This was an embarrassing defeat for the Kennedy administration both a political and public opinion perspective.

In May of 1963, the well chronicled Birmingham Campaign and Birmingham Riot shook the nation as images of peaceful protesters being subdued with high pressure fire hoses flooded the media.⁶⁴ Managing the nation during the Civil Rights era proved a nightmare for Kennedy and served as a constant menace of precious time and energy he would have preferred to spend on healthcare reform.

Death of President Kennedy

The US Congress continued discussions and public hearings on Medicare through late 1963 and early 1964. However, just as the death of FDR spoiled his aims for NHI, the assassination of President Kennedy on November 20th, 1963 derailed the development of Medicare.¹⁶

JFK's Struggles with NHI

Kennedy, like Truman, faced a barrage of domestic and foreign conflicts that impeded his goals for NHI. While an address to Congress early on in his Presidency gave promise, Civil Rights conflicts sidetracked his agenda soon after. The botched Bay of Pigs invasion didn't help his cause and further distracted him from NHI. Furthermore, the emergence of private health insurance providers diminished the need for NHI. Lastly, after Kennedy was assassinated, a mourning nation had bigger things to worry about than passing comprehensive healthcare reform.

(1963-1969) Chapter 6: The Lyndon B. Johnson Administration

After Kennedy's assassination in 1963, Vice-President Lyndon B. Johnson (LBJ) was confronted by a situation similar to the one Truman experienced following the death of FDR in 1945. Assuming the Presidency, LBJ quickly decided to expand Kennedy's vision for healthcare reform. LBJ's progressive agenda of social reform in which he declared war on poverty, would later become known as "The Great Society."³³

The death of Kennedy was a tragedy with unfortunate timing for national health insurance. However, JFK's passing initiated a cascade of support for programs and policy he had supported during his Presidency.³⁴ This shift of public sentiment, contributed greatly to the legislative success LBJ would experience in the coming years.

Civil Rights and its Impact On NHI Reform

As part of his greater vision for his "Great Society", President Johnson signed the Civil Rights Act on July 2nd, 1964.⁵⁰ The law gave the Federal government extensive disciplinary power against organizations and individuals practicing racial segregation and other discriminatory acts.⁵⁰

This groundbreaking measure changed the face of not just education and the workforce; it changed the face of healthcare. This social reform measure hurt LBJ on many fronts.

Medicine likely objected to changes to its social order and management. Hospitals and clinics exercising segregation of their patients and discrimination of healthcare staff based on race and gender were forced to change their practices.⁵² Logistically, healthcare facilities would have to be rearranged or restructured to accommodate unsegregated

departments. Legally, healthcare administrators would be forced to hire meritorious people of color. LBJ probably lost support from the sector of the population that was entrenched in racist opposition to integration and equality. Politically, President Johnson probably suffered dissent from hard-nosed conservatives who were fundamentally opposed to racial integration.

The Gulf of Tonkin Incident

In the wake of the changes initiated by the Civil Rights Act of 1964, Johnson was forced to quickly turn his head to intensifying foreign conflicts. As news of the Vietnamese civil war began to surface, the US deployed naval ships to patrol the waters of the remote Southeast Asian country. On August 2nd, 1964, the North Vietnamese forces attacked two US destroyers.⁵¹

Shortly after on August 7th, the US Congress passed the Gulf of Tonkin incident, which was essentially a written document giving President Johnson the US Senate's approval to use his power as Commander in Chief to counter any attacks on US forces and to prevent further aggression in the region, without ever officially declaring war on the Vietnamese communists.⁵¹

Over the course of his Presidency, the Vietnam War proved a thorn in the side of LJB by constantly diverting his focus away from his domestic agenda.

The Need for Health Coverage

In 1964, medical bills were a significant cause of poverty. Forty-four percent of seniors did not have healthcare coverage and thirty-three percent of seniors were living

below the poverty line.³³ President Johnson would not stand for this. Later that year, LBJ sent a special note to Congress advocating for Medicare.⁵

AMA Lobbies Against Medicare

When the AMA realized how serious LBJ was about Medicare, they established a lobbying campaign, which recruited the support of then famous American actor, Ronald Reagan.³⁴ Reagan, and the AMA claimed the Medicare was socialized medicine under the guise of a humanitarian act.³⁴

Medicare Signed Into Law

Despite their greatest efforts, no amount of AMA money and lobbying was enough to cover the glaring health disparities present in America's elderly and poor. Using the momentum generated from the ratification of the Economic Opportunity Act and the Civil Rights Act in 1964, LBJ signed the Social Security Amendments of 1965 on July 30th, which officially established Medicare and Medicaid.³³

The dream originally envisioned by the American Association of Labor Legislation in 1915 was partially realized; a system of national health insurance was born. Medicaid and Medicare would provide financial medical assistance to the poor and the elderly respectively; the two most vulnerable populations in the United States.

However, although a huge humanitarian step forward, millions of American's remained uninsured. The battle over Medicare was won, but the war over national health insurance grinded quietly on, momentarily muffled out by the cheers of victory.

LBJ, the AMA and the National Spotlight

Following the ratification of Medicare and Medicaid, an organized boycott of the new government health programs by the AMA and its affiliated physicians seemed imminent. In a crafty political move, LBJ invited AMA representatives to the White House, allegedly to talk about the Vietnam War, which had been escalating for three years.

When the President and his guests appeared before the press, it was Medicare and not Vietnam that became the first topic of discussion and a question was posed of whether or not the AMA would support healthcare. Before the AMA President could respond, LBJ cut in saying, “These men are sending physicians over to Vietnam to die for this country, of course they’re going to support Medicare. Doctor?”³⁴ The AMA President had no choice but to answer yes.

LBJ's Legacy

LBJ’s legislative success propelled him to the greatest election victory in United States history in 1964.

In 1965, LBJ continued the legislative achievement of his Great Society by signing the Elementary and Secondary Education and the Urban Development Act. In 1967, additional Social Security Amendments were passed which increased the benefits of Medicare and Medicaid.³⁵

The AMA fears that Medicare would lead to socialized medicine for all American’s never materialized. LBJ never formally supported NHI or made any call for

NHI legislation. This may have been partly because as the Vietnam intensified in the late 1960's, LBJ began to lose political capital and economic support from Congress.

Medicare and Medicaid were a large step forward but the ideal of NHI for all Americans remained unaccomplished.

LBJ's Compromise with NHI

President Johnson worked diligently towards his goals for The Great Society following the assassination of JFK. In a tactical move, LBJ chose first to ensure healthcare for the most needy Americans, the poor and the elderly. Riding the wave of public sentiment favoring reform measures previously supported by President Kennedy, LBJ was able to ratify the Medicare and Medicaid programs.

It's not clear why LBJ chose not to pursue NHI following his huge legislative success and landslide presidential election victory. Perhaps he did not want to take on the AMA, choosing to quit while he was ahead rather than risk losing political face if his efforts failed.

Conceivably he decided to take a much-deserved respite from the healthcare reform battle. It's also plausible that President Johnson was concerned about his legacy. Many regarded Medicare and Medicaid as socialist programs; proposing a national health insurance program for all Americans would have worsened this perception.

Regardless of LBJ's decision making, his unwillingness to tackle NHI represents more of a compromise than a failure. The healthcare reform measures passed during his tenure set the stage for future attempts at NHI.

(1969-1974) Chapter 7: The Richard Nixon Administration

When President Nixon assumed the Presidency in 1969, he made healthcare reform a large part of his agenda. The Republican Party made it large part of their platform to address needs with rising medical costs. During this time, hospital costs were rising 16% a year; most other industries were experiencing cost increases of just 4%.⁵³ The Republican's also planned to address the lack of private medical insurance, the shortage of healthcare personal and the lack of medical infrastructure.⁵³

However, a proposal he gave to Congress ultimately went nowhere during the first three years of his Presidency, as Nixon was preoccupied with foreign affairs and domestic violence.

Foreign and Domestic Conflicts Sideline NHI Reform***Foreign Affairs: Vietnam***

As part of his campaign platform, Nixon announced the inevitable withdrawal of US forces from Vietnam in order to attain "peace with honor."⁵⁴ Despite that, on March 17th, just three months after his inauguration, Nixon ordered the secret bombing of North Vietnamese supply routes and base camps in Cambodia in an offensive known as "Operation Breakfast."⁵⁰

On June 8th, 1969, Nixon ordered that 25,000 of the 540,000 (4.6%) American soldiers deployed in Vietnam return home.⁵⁰ The President's small offering did little to appease disgruntled citizens and the situation in Vietnam continued to deteriorate, support for the war dwindled.⁵⁰ On October 15th, 1969 thousands of angry demonstrators assembled to protest the war at the first Vietnam Moratorium.⁵⁰

Over the next couple years, the war continued to drain Nixon's public approval and political clout. Realizing this, the President initiated negotiations with the North Vietnamese to reach a peace agreement. After another year of deliberation, failed cooperation and continued fighting, all sides reached an agreement and the U.S. withdrew officially from the war on January 27th, 1973.⁵³

Foreign Affairs: The Cold War

As if Vietnam wasn't enough to handle, Nixon also had to juggle growing Cold War conflicts with the USSR and the People's Republic of China (PRC). Instead of enacting healthcare reform like he said he would, Nixon was busy signing the nuclear non-proliferation treaty in 1969, traveling to China in 1971 and signing the Strategic Arms Limitation Treaty (SALT I) in 1972.

Domestic Affairs: College Campus Shootings

On May 4th, 1970, four students at Kent State University are shot and killed by National Guardsman and nine others are injured.⁵⁰ Ten short days later, two rioters are killed at Jackson State College by police.⁵⁰

The nation exploded in a tirade of anti-war sentiment following these events, first, because it was government officers who fired on the students and second, because the shootings would never have happened if the US had not been involved with Vietnam.

The nation was angry and bleeding. It was an extremely unfavorable time to be a government employee or politician. Even if Nixon had not been too preoccupied to deal with healthcare reform during his first term, its hard to tell if it would have made any difference, given the rampant dissent and lack of approval for anything government sponsored.

Domestic Affairs: Economic Recession:

The Nixon administration endured both the economic recession of 1969-70 and the economic recession of 1973-75, the later being much worse than the first^{56,57}. However, both occurred in inopportune moments relative to Nixon's plans for NHI reform.

While the recession of 1969-70 was characterized as relatively mild, this period of zero economic growth unfortunately coincided with Nixon's first year in office, giving him one more thing to worry about other than NHI reform.⁵⁶

The US GNP decreased by 3.8% between 1973-75.⁵⁷ Finally, when President Nixon was ready to commit time and energy to his reform program, CHIP, economic woes were there to complicate things once again.

Nixon Turns to Healthcare Reform: Too Little, Too Late

Nixon's Comprehensive Health Insurance Program

In February 1974, in a special message to Congress, Nixon gave plans for his Comprehensive Health Insurance Program (CHIP), which would address issues pertaining to cost and coverage.³⁶

CHIP focused on seven principles, which have been summarized below³⁶:

1. All American's will be able to obtain comprehensive health insurance benefits
2. The plan's will be affordable to all American's
3. Existing private and public systems will be utilized and expanded to increase coverage
4. Federal funds will be used only when needed and no new taxes will be employed
5. Patients would maintain the freedom to choose their provider and healthcare workers will not be government employees
6. Health care resources will be used for efficiently
7. The organization will be such that all stake holders – consumer, provider, insurer, governments – would have a direct role in ensuring the system works

Kennedy's Conflicting Healthcare Plans

Nixon's plan was met with contestation from Senator Ted Kennedy, who had his own national health insurance proposal.³⁷ Kennedy claimed that CHIP was not a partnership between patients and doctors but rather a partnership between government and insurance companies that represented a significant economic conflict of interest.³⁷ Disagreement between Kennedy and Nixon weakened both parties and their respective health insurance plans.

Watergate Puts an End to Nixon's Plans

In 1974, Nixon resigned the Presidency in the wake of the Watergate scandal. Nixon's successor, Gerald Ford, was ultimately unsuccessful at moving the CHIP bill forward. Neither Kennedy's or Nixon's plans for national health insurance were ever signed into law.

Summary of Nixon's Failure:

It wasn't Nixon's fault that the United States encountered so many foreign and domestic disasters over the course of his first term in office. The President did what he needed to do and prioritized accordingly to ensure the longevity of our nation. Regardless, NHI reform would have to wait over four years before it was even seriously considered by the Nixon administration.

By the time Nixon rolled out CHIP, it was too late. Senator Kennedy's alternate health reform plan created a divide in Congress over what course of action to take. Three months later, Nixon was indicted on charges related to the Watergate scandal, and by August, the President resigned taking his plan for comprehensive health insurance reform down with him.

(1993-2001) Chapter 8: The Bill Clinton Administration*Clinton Makes NHI Focus of Domestic Policy*

In the years following Nixon's resignation, few developments regarding NHI emerged until President Clinton was sworn into office in January of 1993. President Clinton, like many President's before him, opened up his presidency with a commitment to make healthcare reform a top priority. He immediately assigned a taskforce, led by first lady Hilary Clinton, with a 100-day deadline to produce a bill that would provide national health insurance to the American people.³⁸

Unlike previous national healthcare proposals, Clinton elected to avoid a single payer system like the Canadian system, on the grounds that it was socialized medicine.³⁸ Instead, Clinton chose to support proposals that relied on private health insurance companies and employer mandates.³⁸

The taskforce did not make its deadline, but after extensive deliberation with over 500 organizations, and separate addresses to Congress made by the President and the First Lady, the Health Security Act made it to Congress in October 1993.³⁸

One important inhibition of the Clinton supported NHI bill, was that it was expensive. During the bill's writing, tension arose between bill sponsors and Clinton's economic team.³⁸ However, NHI proponents argued that universal coverage, although expensive, was less expensive than funding the widespread abuse of emergency services by American's who could not afford primary care visits.³⁸ In a plan to contain costs, Clinton supported premium caps, and mandatory participation by citizens and employers.²⁸

Economic dilemmas were accompanied by the inherent complexity of the American healthcare system that was fragmented into private providers, Medicare and Medicaid; Clinton's ambitions for universal coverage and cost control complicated things further.³⁸

Domestic Politics: Don't Ask Don't Tell

During his 1992 Presidential campaign, Clinton promised to end the exclusion of homosexuals from military service.⁶ The President adopted the famous "Don't Ask Don't Tell" policy in which non-disclosure of sexual preference was encouraged.⁶⁵

Clinton's policy did little to appease homosexuals, liberals or conservatives. In fact, it probably hurt him politically and publicly. While this compromise may have helped him fulfill a campaign promise, it likely damaged his image more so than if he had done nothing at all.

This relatively minor hiccup set the stage for an uphill battle for Clinton's entire domestic agenda, a large part of which was NHI reform.

The Influence of Foreign Affairs

In October 1993, tragedy struck the American's in the small African country of Somalia when Somali militia shot down two US helicopters in an event known as "Black Hawk Down."⁶¹ The ensuing recovery mission was messy and resulted in the deaths of 18 soldiers. Videos of the desecrated bodies of the American soldiers exploded in the media.⁶¹ The Bosnian War, which resulted in the mass genocide of more than 8000 Muslims, began to escalate around the time that Clinton assumed the Presidency.⁶¹

Additionally, US embassies were bombed in Saudi Arabia, Tanzania and Kenya between 1996 and 1998.⁶¹ These conflicts hindered the White House's ability to concentrate on their domestic agenda.

Republican's Counter the Health Security Act with the Dole-Chafee Bill

To make things more difficult, the Republican party, led by Senators Robert Dole and John Chafee, introduced an alternative to Clinton's Health Security Act just a month after Clinton's bill reached Congress.⁴²

The bill, formally known as Health Equity and Access Reform Today Act of 1993, addressed issues with universal care and coverage, employer funded health insurance, long-term care and Medicare and Medicaid.⁴³

The Dole-Chafee Bill had many apparent flaws. For example, the bill did not include directions on how it would finance the purchase of private health insurance, how it would guarantee universal coverage or how it would execute cost containment.⁴²

Some historians question the legitimacy of the bill, claiming that the Dole-Chafee bill was merely a distraction concocted by the Republican Party to pull public and political favor away from Clinton's NHI bill.⁴²

Regardless of the validity of the Dole-Chafee bill or the genuineness of the intent of its authors, it succeeded in inhibiting the progress made by the Democrats with regards to NHI legislation.

Organized Medicine Intervenes

Opposition from the healthcare industry exasperated concerns over cost and complexity. By 1994, the healthcare was a trillion-dollar industry, which comprised fourteen percent of the US Gross Domestic Product (GDP).⁴²

Ratification of a comprehensive health insurance program such as the one supported by the Clinton administration would have increased public access to care by reducing financial barriers and therefore increased usage of medical services leading to massive cost increases for all healthcare providers.⁴² Furthermore, federally administered cost-containment practices such as standardized fees for care, prescription drugs and physician salaries were not exactly popular reform ideas among healthcare workers. NHI threatened hundreds of billions of dollars in potential profits for the healthcare industry.⁴²

Medical political action committees (PACs) provided \$26.4 billion in campaign contributions to congressmen between 1993 and 1994.⁴² Democrats who had accepted such ludicrous donations found themselves in a catch-22.

The Democratic party had long considered themselves the party of the middle class; at the time, 59 percent of middle-class families were uninsured because they were too poor to buy private health insurance and too wealthy to qualify for Medicaid.⁴² Failure to support Clinton's NHI initiatives represented neglect of one of their parties identifying philosophies.

However, failure to comply with the wishes of the powerful medical PACs would most certainly mean defeat for dissenting politicians at their next elections, as funds previously allocated for Democratic campaigns would instead be diverted toward supporting opposing Republican candidates.

This internal conflict caused a rift between congressional Democrats and loosened Clinton's control on Congress; some Democrats risked political ruin by supporting NHI, others chose self-preservation by siding the wishes of medical PACs.

Corporations Oppose Clinton's NHI

The Clinton NHI plan was designed to benefit large corporation by eliminating cost shifting.⁴² Cost shifting occurs when large corporations are charged more than they should by private health insurance providers to make up for the uncompensated care for uninsured Americans, many of whom work for small corporations that can not finance health insurance for their employees.

When big business interest groups such as the Business Roundtable and the Chamber of Commerce publicly denounced Clinton's NHI plans, the President was undoubtedly surprised.⁴² What the white house failed to recognize was that although NHI would reduce the insurance premiums for large corporations, the Clinton plan required an increase in health benefits for each family, which would have had a net increase in costs for each business.

Small business rejected the Clinton NHI plan on financial grounds as well. Many small businesses could not afford to provide their employees with health insurance; Clinton's plan would have changed that.

Unfortunately for Clinton and other proponents of NHI, money spoke louder than political influence. Without the support of organized medicine or corporate America, Clinton's plans for NHI looked dim.

Public Opinion Shifts Away From Clinton's NHI Plan

Initially, Clinton's plan for NHI was well received among the public, especially following the President's address to Congress in September of 1993.⁴² However, just a few months later, nearly half of the public opposed the Clinton plan and the majority of the public believed that Congress should postpone deliberations on NHI until after 1995.⁴² A poll of over 1000 Americans conducted by *USA Today*, CNN and Gallup in 1994 revealed that 38% of people believed that the middle class stood to lose the most from Clinton's NHI proposal.

One factor inhibiting Clinton's NHI plan was that it would require middle-class American's currently covered by private health insurance to pay more for less coverage by means of tax increases and rationed care.⁴² Furthermore, Clinton's NHI threatened to take away choice of provider and diminish the quality of care.⁴²

Division Within the Democratic Party Cripples NHI Reform

Liberal-oriented Democrats supported a single-payer, tax-funded NHI system that could ensure coverage to all American citizens.⁴² Clinton, along with more moderate Democrats, saw a single-payer system as politically unfeasible because it would place too much control in the hands of the government.⁴²

This fundamental disagreement created a rift in the Democratic party that prevented them from effectively collectivizing resources and reform efforts and ultimately weakened their plans for NHI. Despite holding an overwhelming majority in the 103rd Congress, these differences yielded failure with respect to NHI legislation.

The Democrats lost control of the 104th Congress, closing the door on perhaps the greatest opportunity to reform American health insurance.

Summary of Clinton's Failure

In many ways, Clinton came closer than any President before him with regards to ratification of an NHI bill. However, despite early momentum generated in Congress, Clinton's ambitious reform efforts ultimately ended in failure. The Republican Party and its Dole-Chafee bill exemplified Capitol Hill's long-standing failure to reach bi-partisan compromises with regards to healthcare. The impact of organized medicine cannot be overstated. The political influence generated by lucrative lobbying efforts and campaign contributions to key lawmakers was paramount to Clinton's failure.

The White House's inability to win the support of American corporations illuminated a stark disconnect between American politics and economics. Loss of public support, mainly as a result of dashed relationships between Clinton, medicine and business, scared election-minded congressman from fully backing NHI reform.

Lastly, failure of the Democratic Party to collaborate effectively during the 103rd Congress represents one of the most pivotal moments of wasted opportunity in the history of NHI reform. Despite his greatest efforts Clinton was unsuccessful in bringing his vision of comprehensive health insurance for all American citizens to fruition.

(2008-Present) Chapter 9: The Obama Administration***Obama Makes Healthcare Reform Top Priority***

President Obama made comprehensive health insurance reform one of his platforms for the 2008 election, declaring that affordable health care should be a basic right for all Americans.⁴⁵

Health Reform Now, Later or Never?

Surprisingly, Vice-President Joe Biden adamantly advised the President not to take on healthcare reform, having seen many Presidents travel down that path only to fail and end in political ruin.⁴⁴ The timing of Obama's initial push was inopportune from a financial perspective as well.

The Great Recession

In 2008, the United States was at the climax of what later would be known as "The Great Recession." Before Obama could target NHI reform, the President had to focus his domestic agenda on the ailing economy.

On February 17th, 2009 President Obama signed the American Recovery and Reinvestment Act, commonly known as the Economic Stimulus package.⁵⁹ Of the \$700 billion allocated for the US economy, 80 billion went bailing out US automakers while nearly \$240 billion went to bailing out banks.⁶⁷

However, despite billions of government dollars invested in industry, the economy continued to sputter. The American public began to lose patience and the President's approval rating dipped from 68% to 57% between April and July.⁶⁰

In October 2009, 10 months after President Obama took office, the recession was at its peak. National unemployment surged to 10%; a level it had not reached since 1983.⁵⁸ Consumer spending per individual dipped by \$4000/year, industrial productivity decreased drastically and over 235,000 businesses failed.⁵⁸

Nonetheless, the President held true to his commitment to healthcare reform.

The Global War on Terror

On February 27th, President Obama announced his plan to withdraw troops from Afghanistan and Iraq by 2010.⁶⁶ While the war was still siphoning precious time and fiscal resources from the White House, Obama's proclamation gave him a boost of political and public support that translated nicely to his domestic objectives.

Obama Brings on Vehement Chief of Staff, Emanuel

Nevertheless, one month after his inauguration, in his first Presidential address to Congress, Obama urgently stressed the need for healthcare reform.⁴⁴ The President's relentless in pursuit of his vision was exemplified when he hired notorious deal maker and former House Democratic Caucus Chairman, Rahm Emanuel, to be his Chief of Staff.⁴⁴

Emanuel, who served as President Clinton's Senior Advisor during his failure to enact healthcare reform, brought a wealth of experience to the discussion table and most importantly, an idea of what not to do.⁴⁴

Emanuel saw eye to eye with Obama's timely approach, knowing that the President would have the most support from the public immediately after election. Additionally, the Democrats held a 60-seat majority in the Senate, which could not be guaranteed after the midterm elections of 2010.⁴⁴ Emanuel was not afraid to hold Congresses' hand to ensure that a healthcare bill came to fruition.

Obama Assembles Reform Dream Team

President Obama wasted no time in assembling a dream team of congressional insiders and healthcare experts to join his white house staff.⁴⁴

Pete Rouse, who had served as Senator Obama's Chief of Staff, was brought on board as a familiar face to serve as a Senior Advisor to the President.⁴⁴ Peter Orszag, former head of the Congressional Budget Office, was hired to be the Director of the Office of Management and Budget; he would be instrumental in navigating the fiscal complexities associated with healthcare reform.⁴⁴ Melody Barnes, a former aid to longtime healthcare champion Senator Ted Kennedy, was commissioned as the Director of the Domestic Policy Council.⁴⁴

Tom Daschle, former Senate Majority Leader, was hired to spearhead efforts in healthcare reform for the Obama administration.⁴⁴ However, he was never confirmed in his role as the Secretary of Health and Human Services because a personal issues

involving income tax evasion would have drawn negative attention to the white house and distracted the public from important reform measures.⁴⁴

Obama Calls White House Forum on Health Reform

Initially, Obama took a more passive approach in leading the healthcare reform by encouraging Congress to write a healthcare bill while relying on his friendly disposition and his personal relationships to make headway.⁴⁴ With this strategy in mind, President Obama invited 150 congressmen, insurance executives, labor leaders, clinicians and representatives from medical interest groups to the White House Forum on Health Reform on March 5th, 2009.⁴⁹

The forum was structured informally with breakout groups to encourage free flowing discussion. Two main topics of discussion at the forum were cost reduction and coverage expansion.⁴⁹

Bipartisan cooperation seemed hopeful as Republican congressmen such as Representative Joe Barton, gave words of encouragement and even commended the Obama administration on its progress with healthcare reform.⁴⁹

Collaboration even seemed optimistic from the health industry perspective. The AMA, whose historical renunciation of comprehensive health insurance reform has been evidenced in this paper, expressed a keen desire to be a partner in the growing developments.⁴⁹

Most notably, Karen Ignagni, chief lobbyist for American Health Insurance Plans (AHIP), conveyed her organizations strong intentions to work together with the Obama administration for change. AHIP's proclamation was particularly surprising because its

predecessor, the Health Insurance Association of America, had funded much of the negative publicity that had crippled the Clinton healthcare reform effort just 15 years before.⁴⁹

Obama's swift movements gave the impression that his crusade for health insurance reform was off to a great start. However, bipartisan and industry agreements to collaborate were unlikely dramatic shifts in ideological paradigm and more likely tactical maneuvers to ensure that these interests had a seat at the table.⁴⁴ Obama was changing the landscape of healthcare drastically and all the major interest groups weren't about to miss the train.

Alternate Point Man, Max Baucus, Brought On Board

Shortly after Tom Daschle's press mediated implosion, Obama was on the hunt for a new point man who could lead the charge on his healthcare initiative. Perpetual healthcare advocate Senator Ted Kennedy, although an excellent choice for replacement, was unavailable because of his enduring fight with cancer. With obvious contenders eliminated from the equation, Obama turned to his third choice, Senator Max Baucus, a hard-nosed conservative Democrat and longtime Senate Finance Committee Chairman.⁴⁴

Media Swarms Underline Conflicts of Interest

Baucus's appointment immediately created controversy as press reports highlighted financial conflicts of interest.⁴⁴ Baucus had received nearly \$2.5 million from healthcare industry special interest groups since 2005 for his campaign. Furthermore, five

former Baucus staff members now worked for organizations with special interests in healthcare reform.⁴⁴

Baucus' Deal with Ignagni, AHIP

The media reports weren't without evidence or merit. Baucus' communications with AHIP chief Lobbyist Karen Ignagni may have swayed his opinion. Ignagni, who previously expressed AHIP's desire to work with the Obama administration on healthcare reform, was playing political hardball.⁴⁴

Ignagni realized the seriousness with which Obama would pursue reform and chose to lend AHIP's support, but at a price; Baucus would encourage the personal mandate and drop the public option, both of which stood in stark opposition to Obama's campaign promises.⁴⁴ By so doing, AHIP could avoid competition from a government sponsored health insurance program and guarantee the financial profitability of the private insurance industry and thus fully support reform measures that were slanted in its favor.

Being an experienced politician, Baucus shrugged off corruption allegations and approached his job with the same level of vigor that got him hired in the first place. In May of 2009, the Senate Finance Committee held a hearing on expanding healthcare coverage to uninsured Americans⁴⁴.

Political activists who demanded that representatives supporting a single-payer system be allowed to testify interrupted the hearings.⁴⁴ In a flexing of his political power, Baucus not only denied them this opportunity, he also had them arrested for disturbing a congressional hearing.⁴⁴

Back Door Politics: Clearing the ACA With Industry

In a bill this large, collaboration between Congress and industry was essential for ensuring the bill made through Congress. Collaboration, at least on Capitol Hill, can manifest itself in the forms of either compromise or bargaining.

Deals with Healthcare Industry:

In 2009, Obama and hospital lobbyists made a deal that would exchange cost caps for political loyalty.⁴⁷ The deal placed a 10-year maximum fiscal cap of \$155 million on the healthcare industry.⁴⁷ Additionally, the deal agreed not to include a government-run health plan that reimbursed at Medicare's rates as part of ACA (Medicare reimburses about 80% that of private insurers).

The latter component to the deal was particularly significant because Obama had been a long time supporter of a public option. Hospital lobbyists knew that the US government could not afford a public health insurance plan that reimbursed at higher rates than Medicare; by striking this deal, the potential for a public option was essentially terminated.

Deal with Pharmaceutical Companies:

In August 2009 a deal was made between the Obama administration and PhRMA, the primary lobbying organization for the pharmaceutical industry.⁴⁸ Chief lobbyist Billy Tauzin, once a Louisiana House Rep, discussed workings that would grant the federal

government \$80 billion in savings in exchange for a guarantee that Medicare would not be given authority to negotiate drug prices with pharmaceutical companies.⁴⁸

In his press release, Obama portrayed the pharmaceutical companies renewed compliance in a positive light while tactfully omitting what the white house had given up to earn their allegiance.⁴⁴ However, it didn't take long for the press to seek answers and ultimately uncover the backroom deal.

Obama's deal with the pharmaceutical companies represented another deviation from his campaign promise, as he assured the American public that if elected he would do his part to decrease pharmaceutical drug prices.

The matter would not have been as bad had he not personally spoken out against Tauzin during the 2008 campaign. While in congress, Tauzin chaired the committee that passed a law preventing Medicare from negotiating drug prices with pharmaceutical companies; Tauzin, as noted above, went on work for PhARMA making \$2 million a year as its CEO.⁴⁴ Obama used Tauzin as an example in a speech as an example of corruption. However, Obama's flip-flop is hypocritical and arguably as unjust as Tauzin's transition from politics to industry.

That being said, Obama was smart to take a hit on his public image in order to avoid the imminent firestorm of negative publicity from PhARMA that would have threatened his reform efforts if he had failed to make an agreement that both parties could live with.⁴⁴

Although the public did not take lightly to Obama's backtracking, he could survive a dip in approval rating. What he could not afford, however, was the loss of support within his own party, particularly from more liberal-minded Democrats. This

simple road bump would prove a mountain while trying to sequester congressional votes for ACA down the road.

Deals with Unions:

The Wall Street Journal published an article in January 2010 that highlighted a deal cut between the Obama administration and trade unions.⁴⁶ Under the deal, trade union contracts are exempt from high-end health insurance taxes until 2018, five years longer than non-unionized workers.⁴⁵

The deal not only violates ethical principles by providing exemption for only part of the workforce, it also leaves a gaping hole in the ACA budget from lack of tax revenue; the deal will give up nearly \$60 billion in tax revenue over the first 10 years of ACA implementation.⁴⁶ This fiscal deficit had to be made up somehow. Increased taxes to medical device manufacturers and decreased reimbursements for government programs were the first obvious targets.⁴⁶

The Unions, who had garnered significant political influence through financial contributions and media advertising supporting President Obama during the 2008 election, were in the perfect place to negotiate. The Democrats essentially had their hands tied. Rather than risk losing a strong political ally in organized labor, the Obama administration did what it had to do to keep the unions happy.

The Senate Finance Committee and Obama's Healthcare Reform Bill

Obama Increases Pressure to Produce Bill

By June 2009, President Obama began to put more pressure on lawmakers to produce a bill before the August congressional recess.⁴⁴ The committee, colloquially referred to as the “Gang of Six,” was led by Baucus and was composed of three Democrat and three Republican Senators.

As the committee deliberated, fears arose among the Republican leadership that the degree of bipartisanship was tilted against their favor. Republican committee members, Grassley, Snowe and Enzi were put under substantial pressure by their Party to either disrupt the deal or face political alienation.⁴⁴

Republican's Influence Own Committee Members

Grassley and his Republican colleagues began taking public heat from their home states; some activists claimed that they would not reelect them if they supported Obama's plans. Strong-armed by their political party and sensing growing dissent from the citizenry, Grassley and colleagues, who were key swing votes in the issue, could not decide on a course of action.⁴⁴

Consequently, the committee failed to produce a bill by the August recess. Obama's vision for a comprehensive healthcare reform bill would have to wait until the Senate reconvened in September.

Death of the “Lion of the Senate”

Senator Ted Kennedy, the largest supporter of healthcare reform, passed away during the August recess.⁴⁴ Reform-minded Democrats hoped that his death would yield a sympathetic response in his Republican colleagues and help swing support for the cause that Kennedy had championed for so long.

Insurance Industry Publishes Report to Sway Committee

With suspicions that the Senate Finance Committee would include a public option and a weakened personal mandate as part of their bill, AHIP released a report asserting that health insurance premiums would increase substantially under the proposed bill.⁴⁴ The once openly collaborative AHIP moved aggressively to oppose portions of the bill that it had previously lobbied for during discussions with Senator Baucus.

Health Reform Bill Passes Committee Vote

Despite AHIP’s manipulative ploy and the Republican’s efforts to control their own party members, Baucus and the two other Democratic committee members convinced Republican Olympia Snowe, a consummate moderate, to vote across party lines.⁴⁴

Passing Obama’s Healthcare Bill Through the Senate

Once the Senate Finance Committee passed the healthcare reform bill, Senate majority leader Harry Reid took control of the bill.⁴⁴

Bipartisan Efforts Fail in the Senate

After struggling to get the healthcare reform bill out of committee, hopes for bipartisan cooperation were all but lost. The Republican Party collectivized its members and ensured that no one would vote for the bill.

Obama Buys Out His Own Party

Cutting his losses with attempts at bipartisanship, Obama decided to concentrate his efforts on his own Party. The *Washington Post* published an article back in 2009 claiming that many of the 60 Senate votes needed to ensure cloture were influenced by back room deals.⁴⁵ (Cloture is a legislative term, which describes the process by which deliberations must be halted and a vote must be taken on the issue at hand).

Democratic Senator Mary Landrieu of Louisiana was given \$100 million in extra Medicaid funding for her home state.⁴⁵ A similar deal was reached with Democratic Senator Ben Nelson of Nebraska.⁴⁵ Democratic Senator Christopher Dodd of Connecticut was offered \$100 million to build a medical center in his home state.⁴⁵ Bill Nelson, a Democratic Senator from Florida was given a clause that would ensure Floridians their expensive Medicare Advantage program.⁴⁵ The list goes on and on.

The Senate Passes the Bill

Christmas came early for Obama when the Senate passed his healthcare bill on December 24th, 2009. All 60 Democrats voted yea and all Republicans voted nay. Kennedy's death did not draw any sympathy votes from the Republicans. However, the

Democrats, who held the 60-vote majority, needed only to collectivize to ensure the bill's passage; that is exactly what they did.

Kennedy's Empty Senate Seat Threatens Healthcare Bill

Republican Scott Brown Campaigns With Pledge Against Healthcare Bill

Ted Kennedy's death vacated the seat the Democrats had held in Massachusetts for the last 47 years. This opened the door for the Republicans to claim the crucial 41st vote that would terminate the Democrats decisive supermajority.

Republican nominee, Scott Brown campaigned with the pledge to be the 41st vote against healthcare.

Obama made a trip to Boston in a last ditch effort to advocate for Democratic nominee Martha Coakley, but by the last day of the polls, it was clear that Brown and the Republicans would claim Kennedy's seat.⁴⁴

Obama Adopts New Hands-On Strategy

The President's original plan was to stay in the background while Congress developed his bill. However, Brown's election initiated the need for a new strategy. Without a 60-vote majority in the Senate, Obama knew he might only have one chance to pass the bill in the House.

Obama Sells the Bill to the Public

Over the next few months, Obama hit the road doing what he does best – campaigning – although this time he was campaigning for comprehensive health insurance reform rather than the Presidency.⁴⁴

Obama made healthcare a focal point of his State of the Union address in January 2010 urging Congress and the American public to consider his plans for healthcare reform.⁴⁴

One month later in February, President Obama hosted the televised White House Health Care Summit in an effort to obtain bipartisanship cooperation.⁴⁴ After quibbling with Republicans over the course of the seven hour event, Obama warned that Democrats would pass the bill with or without the support of their political counterparts.

One Last Deal

Hours before the vote, Obama secured one more crucial deal that ensured the passage of the ACA bill through the House. In order to appease anti-abortion Democrats, Obama gave an executive order that guaranteed that no federal funds would be used to finance abortions.

ACA Passes the House

Obama's bill passed the House by a 219 to 212 margin.⁴⁴ Not a single Republican voted in favor of the bill. All that was left for the President to do was sign the bill.

President Obama Signs the ACA Into Law

On March 23rd, 2010, the Obama administration accomplished something that all of its predecessors of the past century could not - the successful ratification of a national health insurance law named The Patient Protection and Affordability Act (ACA).

Short Synopsis of ACA

A “Patients Bill of Rights” was included as part of ACA that addressed issues involving cost, coverage and care, which are summarized below.³⁹

Cost:

1. Insurance companies can no longer enforce lifetime monetary limits on coverage
2. Insurance companies must publicly justify increases to insurance premiums
3. Restrictions are placed on what percentage of premium dollars can be spent on administrative costs

Coverage:

1. Insurance companies cannot deny children under 19 coverage because of pre-existing conditions
2. Young adults under 26 can be covered under their parents health insurance plans
3. Insurance companies can no longer arbitrarily cancel your coverage
4. Insurance companies now must guarantee your right to appeal payment denials

Care:

1. Preventative care is included in insurance plans
2. Patients will have a choice about which primary care physician they want to see
3. Patients can seek emergency services at hospitals outside of their insurance plan

ACA Timeline of Implementation

A plethora of additional changes are set to be instituted in the upcoming years. The notable modifications that were instituted or will be instituted are outlined below.

2010:

1. Insurance coverage information is to be placed online for consumers
2. Annual limits on insurance coverage will see increased regulation
3. State level consumer assistance programs will be established and sponsored by federal grants
4. Small businesses will receive tax credits to help provide coverage to employees
5. Increased regulation of healthcare fraud
6. Increased Medicare prescription coverage
7. Increased federal funding to support rising need for primary care providers
8. Increasing number of people eligible for Medicaid

2011:

1. Increased prescription drug discounts for seniors
2. Establishment of Center for Medicare and Medicaid to monitor quality and efficiency of care
3. The Independent Payment Advisory Board is established to provide legislation aimed at regulating cost

2012:

1. Value-Based Purchasing Program established that links physician payment to quality outcomes

2. Incentives to form “Accountable Care Organizations,” which allow for better collaboration and resource utilization
3. New demographic data collection measure to help study health disparities

2013:

1. Payment “bundling” will be instituted to help decrease administrative costs
2. Increase Medicaid payment for primary care physicians
3. Open enrolment in the health insurance marketplace begins

2014:

1. Insurance companies cannot discriminate due to pre-existing conditions or gender
2. Elimination of annual limits on insurance coverage
3. Individuals participating in clinical trials will be ensured insurance coverage
4. Access to Medicaid increased
5. Personal mandate fee instituted

2015:

1. Physician payment based on value not volume

ACA Implementation Delays Fuel Political Conflict

The healthcare modifications outlined in the ACA have reshaped the face of medicine. Not surprisingly, heated debate has arisen as to the effectiveness and feasibility of these reform measures, and the future of the ACA seems unclear in the volatility of the current political climate.

Contestation against the ACA is not without merit; key pieces of the new healthcare law such as the out-of-pocket cap and the employer mandate have been

delayed up to a year.⁴⁰ These delays have set the stage for a full fledged political conflict posed primarily between Republicans and Democrats.

GOP representatives have opportunistically exploited these apparent failures of the incumbent Democratic white house in order to gain political momentum in light of the upcoming 2016 Presidential election. The GOP publically admits on its official website that it fully intends to repeal the ACA.⁴¹

The GOP claims that the ACA was simply a political power move executed by the Democratic party with the intention of expanding government control over one-sixth of the American economy.⁴¹ The GOP warns that the ACA could lead to measures where the United States government would have control over all aspects of civilian life.⁴¹ Furthermore, the GOP calls the ACA “confusing, unworkable, budget-busting, and conflicting.”⁴¹

The GOP raises some legitimate concerns. Healthcare, which is run primarily as a for profit system in the United States, has become an integral part of the US economy. While government control over a large sector of our economy is non-ideal for our capitalist society, the US is not in danger of slipping into Fascism or Communism anytime soon.

The slippery slope argument can certainly be applied to the fears of total government control over society. However, the private sector has not provided any solutions as to how to provide healthcare to the 50 million uninsured Americans, whereas the ACA is projected to provide coverage to at least 32 million Americans.⁴² If stomaching a socialist hysteria is what is required to see ensure that millions of

Americans get access to healthcare, then the ill-calculated risk of a George Orwell “1984” big brother take over can be put to rest.

ACA Passed but the Fight Is Not Over

While many of the familiar forces that plagued previous attempts to ratify NHI were unsuccessful in stopping the ACA from coming to fruition, these forces still represent a significant threat to the new healthcare law. The future of the ACA and healthcare in the US is uncertain.

Chapter 10: Summary and Comparison of Past Efforts to Enact NHI Reform

The battle for NHI reform has occupied the better part of a century in American history. Over the course of this time, various themes involving failed NHI reform have emerged throughout each administration's effort. There are five cultural inhibitions to NHI reform that I will focus on: Resistance from organized medicine, distractions from foreign and domestic affairs, economic crises and lack of prioritization. Figure 1.1 provides a visual comparison of the cultural inhibitions affecting each administration's attempt at reform.

1. Resistance From Organized Medicine

Lack of support from physicians and medical professionals who stood to have their compensation and diminished, hindered healthcare reform efforts from the AALL all the way to President Obama.

- A. *The American Association for Labor Legislation (AALL)*: Initially, the American Medical Association supported the AALL's vision for government sponsored health insurance. However, by the late 1910's, the AMA reversed its stance. State legislators and the public followed suit, dooming the potential for healthcare reform.
- B. *The FDR Administration*: The AMA strongly contested the Technical Committee on Medical Care's recommendation for a general Medicare program. Although the recommendations did not call for compulsory health insurance, the AMA was vehemently opposed to any sort of government-sponsored and tax-

- funded health insurance system. The AMA's lobbying efforts and protestation scared President Roosevelt away from including health insurance reform in SSA.
- C. ***The Truman Administration:*** The AMA House of Delegates rolled out a record \$4.5 million dollars in lobbying funds against the Wagner-Murray-Dingell bill.
- D. ***The JFK Administration:*** AMA lobbying efforts tagged the revised Wagner-Murray Dingell bill as socialist. Additionally, the American Medical Political Action Committee (AMPAC) was founded and begins campaigns against Kennedy's healthcare reform measures.
- E. ***The LBJ Administration:*** AMA hires prominent actor Ronald Reagan to speak out against LBJ's healthcare reform.
- F. ***The Nixon Administration:*** The AMA could not frame Clinton's CHIP bill as socialist because the President had a reputable history of challenging the USSR and its communist ideology. Furthermore, CHIP did not threaten the AMA's interest's nearly as much previous reform efforts. Nonetheless, the AMA was accustomed to the status quo and while they didn't make any big strikes against CHIP, they did not support it either.
- G. ***The Clinton Administration:*** Medical political action committees provided \$26.4 million dollars in campaign contributions to Congressmen. This provided considerable political influence for the medical community and helped terminate Clinton's chances of enacting healthcare reform.
- H. ***The Obama Administration:*** While organized medicine may not have taken an active stance against the ACA like it did against previous reform measures, it certainly did its job to slow its progress and manipulate its final form.

2. The Distractions of Foreign Affairs

Since the 1910's, political activists pushing for US NHI reform have dealt with foreign policy debacles that have sidetracked their agendas.

- A. **The AALL:** WWI not only distracted legislators from NHI reform, fear of the “Prussianization of America” and scared the public away from comprehensive national health insurance, because it was founded in Germany. Furthermore, when the Bolsheviks overthrew Russia, national health insurance, which was long considered a leftist initiative, was associated with Soviet communism and thus vehemently discarded by hysterical Americans.
- B. **The FDR Administration:** WWII pulled FDR's attention from domestic issues at a crucial time for the Wagner bill; without the President's support, the bill died in committee.
- C. **The Truman Administration:** Following the end of WWII, Truman became entrenched in the Cold War and in upholding the Truman Doctrine. Conflicts in Greece, Czechoslovakia, and Berlin, Germany were repercussions of cold war tensions. The Chinese revolution sent another wave of communist hysteria through the US and the outbreak of the Korean War in 1950 added additional distraction from Truman's vision for NHI.
- D. **The JFK Administration:** The botched Bay of Pigs invasion, the Cuban Missile Crisis and the Berlin Wall crisis all diverted JFK's attention from NHI reform.
- E. **The LBJ Administration:** Vietnam was a constant menace for President Johnson during his campaign to achieve “The Great Society.” If not for the millions of

dollars spent, rampant drainage of political capital and drastic loss of political support that all came as a result of the illegitimate war, who knows what LBJ could have done for healthcare reform.

- F. **The Nixon Administration:** Nixon was so preoccupied with foreign affairs that he essentially wasted his entire first term in office, with respect to NHI reform. Conflicts in Vietnam as well as cold war deliberations with China and the USSR prevented the President from focusing on his domestic agenda.
- G. **The Clinton Administration:** The Black Hawk down mission failure and violence in Africa and the Middle East limited Clinton's ability to enact NHI reform.
- H. **The Obama Administration:** The enduring conflicts in Iraq and Afghanistan were early distractions for Obama.

3. Economic Crises

The United States economy has been a rollercoaster ride from the Great Depression to the Great Recession. President's interested in NHI Reform commonly had to navigate the fluctuating economic landscapes of their respective tenures.

- A. **The FDR Administration:** President Roosevelt endured the largest economic crisis the world has ever seen – The Great Depression. Throughout his Presidency, fixing the ailing economy routinely occupied time that could have been spent working towards NHI reform.

- B. The Truman Administration:** The Economic Recession of 1949 marginalized the importance of NHI reform as the President turned his attention to addressing significant decreases in GNP, national average income and industry production.
- C. The Nixon Administration:** The economic recession's of 1969-70 and 1973-75 hindered Nixon's NHI reform efforts.
- D. The Obama Administration:** The Great Recession momentarily distracted Obama from NHI reform. However, despite this domestic preoccupation, the President was still successful in ratifying the ACA.

4. The Distractions of Domestic Affairs

- A. The AALL:** The Red Summer of 1919, in combination with US Attorney General A. Mitchell Palmer's anti-communist crusade tainted the AALL's bill by associating it with extremist ideology.
- B. The FDR Administration:** While the Great Depression may have been an economic crisis, its affect on American culture and history as a whole cannot be understated. Post-Depression American's identified heavily with frugality and minimalism; while comprehensive healthcare reform would have been nice, the American public wanted only what was absolutely necessary.
- C. The Truman Administration:** The death of FDR, one of the greatest President's in America's history, rattled the nation. Anti-communist hysteria brought about by the Alger Hiss indictment, McCarthyism, rising Soviet power and the Chinese Revolution caused enough domestic disturbance to scare politicians and citizens away from leftist-associated NHI.

- D. The JFK Administration:** The escalation of Civil Rights activism and racial conflicts heavily sidetracked Kennedy from Medicare and NHI reform.
- E. The LBJ Administration:** The assassination of JFK sent the US reeling through an emotional nightmare. While in the long run, political sympathy of the late President and his reform measures may have helped LBJ pass Medicare and Medicaid, dealing with the initial tragedy was huge hurdle to clear. Ensuing Civil Rights conflicts from the Kennedy era also plagued the LBJ administration and threatened his goals for NHI reform.
- F. The Nixon Administration:** While the Vietnam War is a foreign conflict, the domestic repercussions the war had on American culture are immeasurable. The Vietnam Moratorium's, compounded by the bloody tragedies of the Kent and Jackson State riots, destroyed Nixon's ability to execute NHI reform smoothly. Lastly, once the Watergate Scandal broke out, Nixon's opportunity to pass CHIP was over.
- G. The Clinton Administration:** Clinton encountered a relatively easy slate of domestic affairs. However, although small, the ill advised compromise involving homosexual inclusion in the US military tripped the Clinton administration ever so slightly, perhaps stealing precious political capital that would have been helpful in enacting NHI reform.
- H. The Obama Administration:** The economic crisis of 2008 drew a lot of negative attention to the Obama administration. Particularly, the bailout of US automakers and US banks was widely disapproved of by the public.

5. Lack of prioritization of NHI reform

- A. The AALL:** During the early 1910's, the AALL chose to prioritize workman's compensation over NHI reform. After largely achieving the former, the AALL lost its window of opportunity, as foreign conflicts and other factors would interrupt their secondary goals for NHI reform.
- B. The FDR Administration:** Fearing that it would hold back his primary legislative objective, social security, FDR chose not to include NHI reform in the SSA. The President never again had an opportunity to address NHI reform, as his untimely death cut his time in office short.
- C. The JFK Administration:** President Kennedy chose to concentrate mostly on the healthcare needs one of the most vulnerable and marginalized populations, the elderly. Thus, instead of supporting NHI reform, JFK compromised by laying the groundwork for Medicare.
- D. The LBJ Administration:** President Johnson took the work of JFK a step further by working to provide coverage for not only America's elderly, but also America's impoverished. Although the implementation of the Medicare and Medicaid programs represented huge progress, LBJ's lack of commitment to NHI reform was evidenced by the large hole left in coverage of those too "rich" for Medicaid, too young for Medicare and too poor to acquire healthcare coverage on their own.
- E. The Nixon Administration:** Despite his campaign platform, it was quite clear that President Nixon was much more concerned with foreign policy than domestic affairs.

Figure 1.1

	1 Resistance From Organized Medicine	2 Distractions by Foreign Affairs	3 Economic Crises	4 Distractions by Domestic Affairs	5 Lack of Prioritization of NHI Reform
AALL	Red	Red	Green	Red	Red
FDR	Red	Red	Red	Red	Red
Truman	Red	Red	Red	Red	Green
JFK	Red	Red	Green	Red	Red
LBJ	Red	Red	Green	Red	Red
Nixon	Yellow	Red	Red	Red	Red
Clinton	Red	Red	Green	Yellow	Green
Obama	Yellow	Red	Red	Red	Green

Key:

Red	Factor Present
Yellow	Factor Somewhat Present
Green	Factor Not Present

Chapter 11: Conclusion

What Can We Learn From Past Failures?

As I mentioned in my introduction, there seems to be a consensus among US citizens, politicians and medical practitioners that reform of our current healthcare system is required to address issues with cost, access, and delivery of medical services. Now that I have given a brief history of our past failures with healthcare reform, I will attempt to answer some of the questions that still linger in some of our minds.

Is Now the Time to Act?

One prevailing point of dispute between reformists is whether or not now is the time to pursue these changes. Of course, we wouldn't just want to jump into things, so lets mull this over.

After all, only now did we just start to climb out of the economic hole we found ourselves in after the recession of 2008. Only recently did we begin to withdraw troops from Iraq and Afghanistan and start to deescalate relations in the Middle East. Shouldn't we wait until we have our feet solidly on the ground and have a relatively long period of peace and prosperity? Sure, that sounds like a good idea. However, if we look at the history of our nation, this represents an overly optimistic and unrealistic expectation.

Since 1900 the United States has been involved in six major wars including WWI, WWII, Korea, Vietnam, Desert Storm and the Global War on Terror (includes Iraq and Afghanistan), in which the lives of over 675,000 American's have been collectively lost to date.⁶⁶ Since 1900, 13 US President's have been threatened by assassination attempts

and a 14th, JFK, was successfully assassinated. Furthermore, since 1900, the United States economy has suffered 22 recessions.

In other words, there is never going to be a perfect time to enact healthcare reform. History tells us that there will inevitably be another war, another foreign conflict, another domestic disaster and another economic recession.

President Obama was justified in pursuing NHI reform, now. In fact, some may argue that the only time to act is now. Incessant procrastination of our nation's struggles with healthcare reform will only lead to larger health disparities, more death and or debilitation of our uninsured and deeper financial problems for our children.

Should the Government Be Involved In Healthcare?

While this question may be a bit beyond the scope of this paper, I will do my best to answer it fairly and logically. In order to frame my answer I would like to share an anecdotal story of how I became interested in healthcare reform.

As a junior premedical student at Oregon State University, I did a shadowing rotation with a local gastroenterologist named Hsichao Chow. Dr. Chow always challenged me academically and assigned mini research projects on human physiology, disease pathology and most importantly, healthcare.

Dr. Chow asked me the same question I have presented here. I didn't have an immediate answer. Sensing my hesitation, Dr. Chow asked me a second question, "Should profitability have a stake in healthcare?" I answered that I found it unethical that someone should profit off of the sickness of others. Dr. Chow smiled and asked another

question, “Should the fire department or the police department be privately run enterprises?”

Before I could answer, Chow probed further, “If the fire department was a for-profit, private institution, would it not be a conflict of interest if, for example, an emergency call came in that was out of their jurisdiction? Couldn’t the fire department argue that since the call is out of their range of service, it would be financially unsound to respond to the call, and thus the person on the other line would be on their own? There is a reason why these services are run by the government. If the fire department and police departments are here to protect our lives, shouldn’t our healthcare system share this purpose even more so?” Dr. Chow’s wisdom resonated deeply with me and inspired me to seek answers to all these questions.

To me, whether one believes that the government should provide a public health insurance option or encourage its citizens to have private insurance plans is not important. Each individual is entitled to his or her opinion.

However, private industry has failed to address issues with rising cost and lack of coverage. It is absolutely unacceptable to have 50 million uninsured American’s. While some object to any government intervention with regards to healthcare, in my opinion, it is the government’s responsibility to address such a large health disparity.

As a capitalist-minded American, I would have preferred that the private health insurance could have collective to solve this huge inequality of access to care. However, for how many years can we continue to see millions of American’s die due to lack of access to medical care? How long could we have waited for industry to address these needs. In my opinion, not another year, day or hour.

Is This the Right Way to Do it?

This question, like the last, is a bit out of the scope of this paper. However, I will look to history to help support my answer. The ACA has done a lot to address the need for expanded healthcare coverage but many concerns remain over cost.

In my opinion, the ACA does not go far enough. I believe that a stronger personal mandate will help redistribute cost more effectively and lead to a cheaper healthcare system. I think a single-payer system would drastically increase the efficiency of the system by reducing complexity and decreasing the administrative costs.

However, I do not blame the Obama administration for this. Many compromises were made within the Democratic party on the ACA's journey to the President's desk. Pioneers such as FDR and LBJ chose to compromise in order to respectively pass their Social Security and Medicare/Medicaid programs. In like manner, Obama had to compromise to pass ACA.

The ACA is not perfect and leaves a lot to be desired. However, the ACA should serve as a building block for future reform. Instead of destroying our progress, let's continue to move forward. Only then can we move closer to a system of healthcare that is affordable, manageable and accessible.

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