

# Chronological: "National Health Insurance", Medical Care, Maui Intercontinental Hotel

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## NATIONAL HEALTH INSURANCE

THE CURRENT DEBATE SURROUNDING THE VARIOUS NATIONAL HEALTH INSURANCE PROPOSALS PENDING BEFORE THE CONGRESS SUGGESTS A GLAMOROUS FUTURE, WITH FEW PITFALLS, PROBLEMS, OR SERIOUS INJUSTICES. IN ADDRESSING OUR CONSTITUENTS, WE FREQUENTLY DESCRIBE THE UNITED STATES AND SOUTH AFRICA AS BEING THE ONLY TWO INDUSTRIALIZED NATIONS WITHOUT NATIONAL HEALTH INSURANCE.

WE HAVE CITED THE EVER-ESCALATING COSTS OF HEALTH CARE: THAT THE UNITED STATES PRESENTLY SPENDS MORE ON HEALTH CARE THAN ANY OTHER NATION IN THE WORLD;

THAT THIS ACCOUNTS FOR 9.1 PERCENT OF OUR GROSS NATIONAL PRODUCT, THE HIGHEST IN OUR NATION'S HISTORY; AND THAT THE FEDERAL GOVERNMENT CURRENTLY PAYS ALMOST 40 PERCENT OF ALL HEALTH CARE EXPENDITURES AND THAT ONLY NATIONAL DEFENSE, INTEREST ON THE NATIONAL DEBT, AND INCOME SECURITY PROGRAMS COMMAND A LARGER SHARE OF THE FEDERAL BUDGET.

FOR ADDITIONAL IMPACT, WE MAY CITE OUR TRAGICALLY HIGH INFANT MORTALITY RATE. FOR EXAMPLE, DURING A HEARING THAT I RECENTLY CHAIRED, DR. JULIUS RICHMOND, ASSISTANT SECRETARY FOR HEALTH, INFORMED OUR COMMITTEE THAT COMPARED WITH THE REST OF THE INDUSTRIALIZED WORLD, WE PRESENTLY RANK SOMEWHERE BETWEEN 14TH AND 16TH.

IT IS ALMOST INCONCEIVABLE TO ME THAT THE UNITED STATES, THE MOST POWERFUL NATION IN THE WORLD, WOULD BE 14TH OR 16TH, AND NOT FIRST IN THIS EXTRAORDINARILY IMPORTANT CATEGORY. FURTHER, WE KNOW THAT THE DEATH RATE FOR BLACK INFANTS TODAY IS ABOUT THE SAME AS THAT FOR WHITE INFANTS TWENTY-FIVE YEARS AGO. FINALLY, EVERY ELECTED OFFICIAL THAT I KNOW CAN ALSO CITE FROM HIS OWN FILES, EXAMPLE AFTER EXAMPLE OF FAMILIES FACING BANKRUPTCY IN THE FACE OF HORRENDOUS MEDICAL BILLS RESULTING FROM A CATASTROPHIC ILLNESS.

I COULD GO ON AND CITE THE GROWING POLITICAL  
AND EMOTIONAL PRESSURES IN SUPPORT OF NATIONAL  
HEALTH INSURANCE.

I SUPPORT NATIONAL HEALTH INSURANCE, BUT  
IN ALL CANDOR, I AM WORRIED ABOUT ONE IMPORTANT  
ASPECT THAT TO DATE HAS GENERATED VERY LITTLE  
PUBLIC CONCERN. IN MY JUDGMENT, IT IS A MAJOR  
PROBLEM, BUT UNFORTUNATELY THE MAJOR POLITICAL  
CANDIDATES WHO HAVE DISCUSSED THIS MATTER HAVE  
FAILED TO ADDRESS IT. SIMPLY STATED, "WHO WILL  
PAY FOR NATIONAL HEALTH INSURANCE?"

I BELIEVE THAT MOST MEMBERS OF CONGRESS AND  
OUR PEOPLE WHO ARE LISTENING TO THE DEBATE ARE  
PRESENTLY ASSUMING THAT UNCLE SAM WILL PAY THE  
BILL. THEY ASSUME THAT THE FEDERAL GOVERNMENT  
WILL BE THE INSURANCE CARRIER, AND THAT UNCLE  
SAM WILL INSURE ITS CITIZENS AT NO ADDITIONAL  
COST TO THE TAXPAYER.

I HAVE BEEN IN POLITICS FOR MOST OF MY LIFE  
NOW, AND I MUST SAY THAT I HAVE SOME GRAVE MIS-  
GIVINGS ABOUT UNCLE SAM, OR BIG BROTHER, GETTING  
INTO THE INSURANCE BUSINESS, WHETHER IT BE LIFE,  
CASUALTY, OR HEALTH.

I SOMEHOW EXPECT THAT BIG BROTHER, NOT BEING A  
BUSINESS ENTITY, MAY WELL ATTEMPT TO APPLY SOCIAL  
CONCEPTS WHEN HE SHOULD INSTEAD BE APPLYING SOUND  
BUSINESS THEORY.

FOR EXAMPLE, PRESENTLY IN THE AREA OF  
INSURANCE, THERE ARE TWO RELEVANT BILLS UNDER  
SERIOUS CONSIDERATION BY THE SENATE JUDICIARY  
COMMITTEE. BOTH ARE RECEIVING CONSIDERABLE  
GRASS-ROOTS SUPPORT, BUT FORTUNATELY, IN MY MIND,  
NOT YET ENOUGH SUPPORT TO BE ENACTED INTO PUBLIC  
LAW THIS SESSION.

THE FIRST IS THE SO-CALLED METZENBAUM BILL, S. 2474,  
WHICH WOULD AMEND THE McCARRAN-FERGUSON ACT TO LIMIT  
THE HISTORICAL ANTITRUST IMMUNITY OF INSURANCE  
COMPANIES. THIS PROPOSAL WOULD LIMIT THE INDUSTRY'S  
CURRENTLY QUITE BROAD ANTITRUST IMMUNITY AND WOULD  
ALSO ESTABLISH MINIMUM FEDERAL STANDARDS -- ALLEGEDLY  
TO PROMOTE COMPETITION. AMONG OTHER PROVISIONS, THE  
BILL AS PRESENTLY DRAFTED WOULD EXPRESSLY PREVENT ANY  
INSURER FROM DISCRIMINATING IN THE SALE, ISSUANCE, UNDER-  
WRITING, OR RATING OF ANY POLICY "ON THE BASIS OF SEX,  
MARITAL STATUS, RACE, COLOR, RELIGION, NATIONAL ORIGIN,  
OCCUPATION, PERSONAL LIVING HABITS, APPEARANCE,

MARITAL HISTORY, OR POLITICAL ACTIVITIES, EXCEPT THAT INSURERS MAY VARY RATES ON THE BASIS OF OCCUPATIONAL DUTIES IF THEIR DISCHARGE DIRECTLY AND DEMONSTRABLY CAUSES INCREASED EXPOSURE TO LOSS". FURTHER, EXCEPT IN THE CASE OF OCCUPATIONAL DUTIES, NO INSURER WOULD BE ALLOWED BY FEDERAL STATUTE TO USE STATISTICS SHOWING LOSSES OF GROUPS OF INSURED'S COMPILED ON THE BASIS OF ANY OF THESE CLASSIFICATIONS OR CHARACTERISTICS.

AT FIRST GLANCE, ESPECIALLY IF ONE IS NOT INTIMATELY INVOLVED IN THE ACTUARIAL BUSINESS, THIS WOULD SEEM HIGHLY APPROPRIATE.

IT HAS CONSIDERABLE APPEAL -- JUSTICE, EQUITY,  
FUNDAMENTAL FAIRNESS. BUT I AM CERTAIN THAT IF SUCH  
A PROPOSAL WERE TO BECOME PUBLIC LAW, MANY OF OUR  
PRESENT INSURANCE COMPANIES WOULD SERIOUSLY CONSIDER  
RETIRING FROM THE FIELD. I DO NOT THINK THAT ANYONE  
OF US IN THIS DAY AND AGE WOULD DELIBERATELY DISCRIMINATE  
ON THE BASIS OF RACE, NATIONAL ORIGIN, ETC. HOWEVER,  
TO REMAIN IN EXISTENCE, OUR NATION'S INSURANCE  
COMPANIES MUST BE ABLE TO MAKE A REASONABLE PROFIT.  
AND I AM CONVINCED THAT IT IS ONLY THROUGH THE USE OF  
ACTUARIES WITH THEIR STATISTICAL ORIENTATION THAT  
REASONABLE BUSINESS DECISIONS CAN BE MADE.

I REPEAT, THAT UNDER THIS PARTICULAR PROPOSAL, AS  
DRAFTED, THERE WOULD BE DEFINITE PRESSURE TO PREVENT  
THE COLLECTION OF BASIC INFORMATION REGARDLESS OF  
HOW VALUABLE IT MIGHT ULTIMATELY BE.

LET ME MAKE MY POINT EVEN CLEARER. IN THE  
RECENTLY RELEASED SURGEON GENERAL'S REPORT ON HEALTH  
PROMOTION AND DISEASE PREVENTION, IT WAS SPECIFICALLY  
NOTED THAT CIGARETTE SMOKING -- A PERSONAL LIVING  
HABIT THAT I CONSIDER DEFINITELY TO BE WITHIN THE  
CONTROL OF EACH ONE OF US -- IS THE LARGEST SINGLE  
PREVENTABLE CAUSE OF ILLNESS AND PREMATURE DEATH IN  
THE UNITED STATES.

I FURTHER UNDERSTAND THAT CIGARETTE SMOKERS HAVE  
A 70 PERCENT GREATER RATE OF DEATH FROM ALL CAUSES  
THAN NON-SMOKERS, AND THAT TOBACCO IS ASSOCIATED  
WITH AN ESTIMATED 320,000 PREMATURE DEATHS A YEAR.  
APPROXIMATELY 10 MILLION AMERICANS CURRENTLY SUFFER  
FROM DEBILITATING CHRONIC DISEASES DIRECTLY CAUSED  
BY SMOKING. SCIENTISTS HAVE NOW ALSO DEMONSTRATED  
THAT A SIGNIFICANT PORTION OF A SMOKER'S EXCESS  
RISK FOR HEART DISEASE DISAPPEARS WITHIN ONE YEAR  
OF HIS OR HER QUITTING, AND WITHIN 10 TO 15 YEARS  
AN EX-SMOKER'S CHANCES OF EARLY DEATH FROM A HEART  
ATTACK IS NO GREATER THAN THAT OF SOMEONE WHO NEVER  
SMOKED.

MY POINT IS SIMPLE, IN THIS PARTICULAR INSTANCE,  
WE REALLY DO KNOW WHAT BEHAVIOR CHANGES BY  
CONSUMERS WOULD DRASTICALLY IMPROVE THE QUALITY OF  
THEIR DAILY LIVES.

IN LIGHT OF THESE STATISTICS AND OTHERS  
HIGHLIGHTED BY THE SURGEON GENERAL, A NUMBER OF  
OUR NATION'S LEADING INSURANCE PLANS AND ALSO  
SOME ORGANIZED MEDICAL CARE PROGRAMS, ARE PRESENTLY  
EXPERIMENTING WITH SPECIAL PREMIUMS FOR THOSE WHO  
EXERCISE REGULARLY AND FOR THOSE WHO DO NOT SMOKE.  
I BELIEVE THESE FAR-REACHING DECISIONS ARE BEING  
MADE PRIMARILY ON THE BASIS OF ACTUARIAL INFORMATION  
AND COMMON BUSINESS SENSE.

AND THIS IS NOT BECAUSE BIG BROTHER HAS MANDATED SUCH ENCOURAGEMENT. IN THE LONG RUN, THIS APPROACH MAY VERY WELL HAVE A MAJOR IMPACT ON THE OVERALL HEALTH OF OUR NATION. YET, UNDER THE METZENBAUM BILL PENDING BEFORE THE CONGRESS, SUCH AN APPROACH WOULD BE LABELED "DISCRIMINATORY".

YES, I HAVE GRAVE MISGIVINGS ABOUT ALLOWING UNCLE SAM TO BECOME OVERLY INVOLVED IN THE INSURANCE BUSINESS.

THE SECOND BILL, S. 2477, IS LABELED THE "NON-DISCRIMINATION IN INSURANCE ACT" BY ITS SPONSORS, SENATORS HATFIELD AND METZENBAUM.

THIS PROPOSAL FOCUSES MORE EXCLUSIVELY UPON ALLEGATIONS OF SEX AND RACIAL DISCRIMINATION BY THE INSURANCE INDUSTRY. IN ESSENCE, IT CALLS FOR INSURANCE COMPANIES TO OFFER SIMILAR POLICIES TO MEN AND WOMEN AT THE SAME PREMIUM, REGARDLESS OF THE RELEVANT ACTUARIAL DATA. ITS PROPONENTS POINT OUT THAT EITHER THE PREMIUMS REQUIRED OR THE BENEFITS ACTUALLY PROVIDED TODAY MIGHT BE DIFFERENT DEPENDING UPON ONE'S SEX. AGAIN, ALTHOUGH AT FIRST GLANCE THIS PROPOSAL SOUNDS VERY IMPRESSIVE, FOR THE SAME REASONS THAT I HAVE DETAILED EARLIER, I HAVE GRAVE CONCERNS.

ALL OF THE STUDIES THAT I AM AWARE OF CLEARLY SUGGEST THAT WOMEN DO, IN FACT, LIVE LONGER THAN THEIR MALE COUNTERPARTS AND ALSO THAT THEY TEND TO DEVELOP DIFFERENT TYPES OF ILLNESSES WHEN THEY BECOME ILL. IN MY JUDGMENT, THIS TYPE OF INFORMATION SHOULD BE FACTORED INTO THE DETERMINATION OF APPROPRIATE PREMIUMS AND BENEFITS, RATHER THAN BEING LEGISLATIVELY IGNORED.

THERE IS ANOTHER MAJOR ISSUE THAT WE HAVE YET TO DISCUSS DURING OUR DELIBERATIONS ON NATIONAL HEALTH INSURANCE: WHAT SHOULD BE THE SCOPE OF THE BENEFIT PACKAGE?

SHOULD WE ENACT A CRADLE-TO-GRAVE APPROACH, OR  
START WITH MORE LIMITED COVERAGE AND OVER TIME  
PHASE-IN THE BENEFITS? SHOULD THE CONSUMER HAVE  
100 PERCENT OF HIS COSTS COVERED, OR SHOULD CO-  
PAYMENTS BE REQUIRED?

WHAT WILL BE THE EFFECT ON THE OVERALL COST OF  
HEALTH CARE IF WE MAKE EITHER DECISION? WE HAVE  
NOT REALLY DEBATED AND DELIBERATED ON THE ISSUES  
OF WHETHER UNCLE SAM SHOULD BE THE CARRIER, WHETHER  
PRIVATE INSURANCE COMPANIES SHOULD HAVE A MAJOR  
ROLE, OR WHETHER THERE SHOULD BE A COMBINATION  
OF GOVERNMENTAL-PRIVATE INTERESTS?

THESE ARE VERY IMPORTANT QUESTIONS AND  
I DO NOT THINK THAT ANYONE IN THE CONGRESS HAS  
READY ANSWERS. YET, THOSE SUPPORTING THE MAJOR  
LEGISLATIVE PROPOSALS ARE URGING US TO ACT NOW,  
TELLING US THAT WE HAVE WAITED TOO LONG, INSISTING  
THAT WE ACT NOW.

I SINCERELY HOPE THAT THIS CONFERENCE WILL  
TAKE UPON ITSELF THE RESPONSIBILITY OF PROVIDING  
THE CONGRESS WITH SOME OF THE ANSWERS TO THE QUESTIONS  
I HAVE RAISED. I FEAR THAT UNLESS YOU DO, THE  
CONGRESS MAY FIND ITSELF FORCED INTO ACTION BECAUSE  
OF POLITICAL PRESSURES, NOT WITHSTANDING THE FACT  
THAT IT IS NOT QUITE PREPARED TO DO SO.

I PERSONALLY SUPPORT THE PRESIDENT'S DECISION  
TO GO SLOW BECAUSE OF THE REASONS THAT I HAVE  
GIVEN YOU. WE DO NOT NOW HAVE THE ANSWERS TO  
A NUMBER OF CRUCIAL QUESTIONS. MORE DEBATE  
IS REQUIRED.

COLLECTIVELY YOU HAVE THE EXPERIENCE  
AND BUSINESS KNOWLEDGE TO MAKE NATIONAL  
HEALTH INSURANCE A SUCCESS. BUT IF YOU WAIT  
FOR THE FEDERAL GOVERNMENT TO TAKE THE  
LEADERSHIP ROLE, I AM AFRAID THAT WE WILL  
ALL BE DISAPPOINTED.

MANY OF MY OWN EFFORTS TO MAKE OUR NATION'S  
HEALTH DELIVERY SYSTEM MORE RATIONAL HAVE BEEN  
SPURRED ON BY DATA THAT YOUR ACTUARIES HAVE  
PROVIDED ME. FOR EXAMPLE, THE KNOWLEDGE THAT  
FROM 60 TO 80 PERCENT OF THE VISITS CURRENTLY  
BEING MADE TO MEDICAL PRACTITIONERS ARE, IN FACT,  
BEING MADE BY PATIENTS WHO DEMONSTRATE  
EMOTIONAL, RATHER THAN ORGANIC ETHIOLOGY FOR  
THEIR PHYSICAL SYMPTOMS, SHOULD BE REFLECTED  
IN OUR DECISION. BY PROVIDING HIGH QUALITY  
PSYCHOLOGICAL SERVICES IN AN EASILY ACCESSIBLE  
MANNER, PHYSICAL HEALTH CARE COSTS CAN BE  
REDUCED DRAMATICALLY.

THE ESTIMATES RANGE FROM A LOW OF 11 PERCENT  
TO A HIGH OF 85 PERCENT.

IT HAS BEEN MY EXPERIENCE THAT WHERE HEALTH  
CARE HAS BEEN CREATIVELY ADMINISTERED, IT HAS  
PRIMARILY BEEN BY PRIVATE ORGANIZATIONS SUCH  
AS YOURS. THEY HAVE BEEN THE TRUE PIONEERS  
IN DEVELOPING ACCESS TO ALTERNATIVE HEALTH  
CARE PROVIDERS, SUCH AS NURSE PRACTITIONERS  
AND CLINICAL PSYCHOLOGISTS. AGAIN, IT HAS  
BEEN YOUR BUSINESS SENSE THAT HAS SERVED  
OUR NATION WELL.

IN CLOSING, I WOULD LIKE TO SHARE WITH YOU A PRECIOUS MEMORY. EARLY IN 1964, I WAS ASKED BY PRESIDENT JOHNSON TO REPRESENT THE UNITED STATES IN PRESENTING A STATUE OF GEORGE WASHINGTON TO THE NATION OF URUGUAY. URUGUAY HAD JUST PRESENTED US WITH A STATUE OF THEIR NATIONAL HERO, JOSE ARTIGAS. AND, SO IN PREPARATION FOR THE TRIP, I DID SOME RESEARCH ON URUGUAY. URUGUAY WAS THEN REFERRED TO AS THE SWITZERLAND OF SOUTH AMERICA. IT WAS A SMALL COUNTRY WITH A LOW DEFENSE EXPENDITURE.

IT POSSESSED A SUPER-DEMOCRATIC INFRASTRUCTURE  
THAT CALLED FOR NINE PRESIDENTS, TO BE ROTATED  
ONE PER MONTH. IT HAD DEVELOPED A WELFARE  
PROGRAM THAT COVERED ALL IN NEED. ITS HEALTH  
PROGRAMS WERE HELD UP AS EXEMPLARY. THEY WERE  
EXTREMELY PROUD OF THEIR CRADLE-TO-GRAVE  
COMPREHENSIVE COVERAGE. ALL OF THEIR LITERATURE  
SPOKE GLOWINGLY AND ENTHUSIASTICALLY OF THEIR  
FEDERAL HEALTH INITIATIVE. "IF MANKIND WOULD  
ONLY ADOPT THE URUGUAY CONCEPT, WE WOULD HAVE A  
GLORIOUS FUTURE".

WELL, TODAY, URUGUAY IS ALMOST TOTALLY  
BANKRUPT. IT IS THE SCENE OF RIOTS, CIVIL  
WAR, STARVATION. IN JUST A DECADE, IT WENT  
FROM GLORY TO ITS PRESENT STATE OF CIVIL UNREST.  
THE PROPONENTS OF THE URUGUAY SOCIAL CONCEPTS  
NEVER DID FIGURE OUT A WAY TO PAY FOR THEM.  
I KNOW THAT OUR NEIGHBOR TO THE SOUTH IS SMALL  
AND RELATIVELY UNIMPORTANT TO SOME, IN BOTH  
GEOGRAPHIC SIZE AND IN POPULATION. BUT I  
THINK THAT IT IS SUFFICIENTLY IMPORTANT FOR US  
TO SPEND SOME TIME STUDYING THEIR PROBLEMS  
WITH NATIONAL HEALTH INSURANCE.

WHO KNOWS, WE MAY LEARN A FEW THINGS FROM  
URUGUAY AND IN THE PROCESS WE MAY SAVE OURSELVES  
BILLIONS AND BILLIONS OF DOLLARS.

URUGUAY IS NOT THE ONLY EXAMPLE. WE HAVE  
MUCH TO LEARN BY A CAREFUL STUDY OF THE EFFORTS  
OF OTHER NATIONS TO COME TO GRIPS WITH A NATIONAL  
HEALTH INSURANCE PLAN. THE PROBLEMS OF COST  
AND BENEFITS, AND WHO SHALL PAY, ARE TOO BASIC TO  
THE SUCCESS OF ANY PLAN TO BE DEALT WITH LIGHTLY.

IT IS ESSENTIAL THAT WE SOON DEVELOP A SYSTEM  
BY WHICH THE MANY AMERICANS WHO ARE UNPROTECTED  
TODAY IN CASE OF CATASTROPHIC LONG-TERM ILLNESS,

ARE PROVIDED WITH PROTECTION TO PREVENT THE  
DESTITUTION OF THEIR FAMILIES, BUT IT IS ALSO  
VITAL THAT A SYSTEM IS DEVELOPED THAT WE CAN LIVE  
WITH AND WHICH DOES NOT ABSORB EVER GREATER  
SHARES OF OUR GROSS INCOME.