

The right and left of medical insurance

Medical costs skyrocket, and insurance schemes are proliferating

by Jeanne Bockel

The well-being of any population depends largely on its physical and mental health. And to insure it, most nations of the world—the United States a notable exception—have developed national health systems.

In the United States, rising hospital bills, drug costs and physicians' fees have now priced even marginal health care out of the reach of many citizens. Even the cost of health insurance itself has, in many cases, exceeded the ability of people to afford it.

As a result, businessmen, Congressmen, doctors and labor leaders are all proposing national health insurance plans of one sort or another. And a major Congressional debate seems about to be set off.

The plans proposed, or about to be introduced in the Congress, vary from the radical—those which would restructure the entire health care system and pay all the nation's medical bills through Social Security financing—to more middle-of-the-road plans broadening Medicare. The more conservative approaches would simply encourage Americans to buy health insurance by offering them income tax deductions.

There will be no early upshot. Congress is expected to study and debate the bills for several years. But most proponents feel some sort of bill will be enacted by 1972, and that it will take 20 years before full coverage and restructuring of the system, which some regard as inevitable, is an accomplished fact.

"We're in serious trouble, nationally and locally, on health-care policies," says Dr. Leonard S. Rosenfeld, director of the Division of Medical Services in the Health and Hospital Planning Council of Southern New York. Other health insurance proponents agree that the problem in the United States is complex, consisting of inefficient health-care delivery, obsolete health-care serv-

ices and exorbitant costs to the public and to the Government for Medicaid and Medicare.

The idea of compulsory national health insurance as an alternative to what was then only an emerging problem was first introduced by the late Rep. John D. Dingell Sr. (D-Mich.), who proposed a plan in 1943. Known as the Murray-Wagner-Dingell bill, it has been introduced in every Congress since then, and laid the groundwork for Medicare.

Current interest, however, grew last December when Walter P. Reuther, president of the United Auto Workers, selected a group of 100 prominent citizens to design a comprehensive national health insurance plan. Called the Committee of 100, the group came up with a plan which is now firmly ensconced in medical care's left wing.

The Reuther plan would be financed by compulsory payroll deductions, shared by employer and employee, and Federal contributions. It would cost the Government about \$40 billion a year and will probably be proposed as legislation within a year. The plan proposes restructuring of health services to include community health facilities, at national, state and local levels. Max T. Fine, a former Health, Education and Welfare insurance official and executive director of the committee, says new professions to support physicians would also be developed and new personnel trained, as part of the program.

The system, which would absorb Medicare and Medicaid and do away with Blue Cross and Blue Shield, would be administered by a special office at the HEW. Hospital bills and physicians' fees would be regulated.

Another less radical labor-proposed compulsory plan has been offered by the AFL-CIO. It is similar to that of the UAW, but proposes more specific coverage. Although something of a cut-and-

paste job, building on existing Medicare proposals, the plan would cover hospitalization without limit, dental care, drugs, nursing home services, paid mental illness, optical care and fully paid physician services. Financed by the Social Security Administration, the program would cost \$33 billion a year, and will be introduced in Congress by the year's end.

The Administration, too, reads the handwriting on the wall. President Nixon still holds the existing mechanisms of health care to be unworkable. In January he asked HEW Secretary Robert H. Finch to form a special task force on Medicaid to study the issue and come up with a plan. Headed by Walter J. McNerney, president of Blue Cross, the task force has also advocated a compulsory plan under which the Government purchases health insurance for all.

Dr. Raschi Fein, a Harvard University medical economist who drew up a proposal for the task force, is a strong advocate of the restructuring of the entire health care system, hitting at the delivery system, medical-care resources and price/cost problems as well. Dr. Fein believes the policy should be comprehensive enough to include all types of coverage and be sufficient to protect against large medical expenses which may arise unexpectedly.

Because this plan would run the Government about \$20 billion a year Dr. Fein proposes that it become effective in increments, with children first, to make it financially feasible.

Other middle-of-the-road plans have been proposed by Sen. Jacob K. Javits, (R-N.Y.), who hopes to introduce his bill before the end of this session, and Rep. John D. Dingell Jr. (D-Mich), who has been carrying his father's crusade for years. The Javits plan would be tax deductible to keep the purchasing power in the hands of the people. The Dingell bill, an update of the bill originally proposed by his father, is more decentralized: It would be run at a state level with Federal funds supplying the revenue.

In an effort to head off major changes, the American Medical Association has come up with the most conservative plan of all: one it calls Mediredit. The only voluntary plan among those proposed so far, it would encourage people to buy health insurance by offering tax reductions on a sliding-scale basis. It was offered as legislation by Rep. Richard D. Fulton (D-Tenn.) and Sen. Paul J. Fannin (R-Ariz.), in April.

The American Medical Association plan has gained little support, but nobody knows which way the Congress will jump. "It's up for grabs," says Max Fine. □

