

# Why the US Has No National Health Insurance

Jill Quadagno  
Florida State University

ONE  
NATION,  
**UNINSURED**

*Why the U.S.  
Has No  
National  
Health  
Insurance*

**JILL QUADAGNO**

SMITH

# US Health Policy Exceptionalism

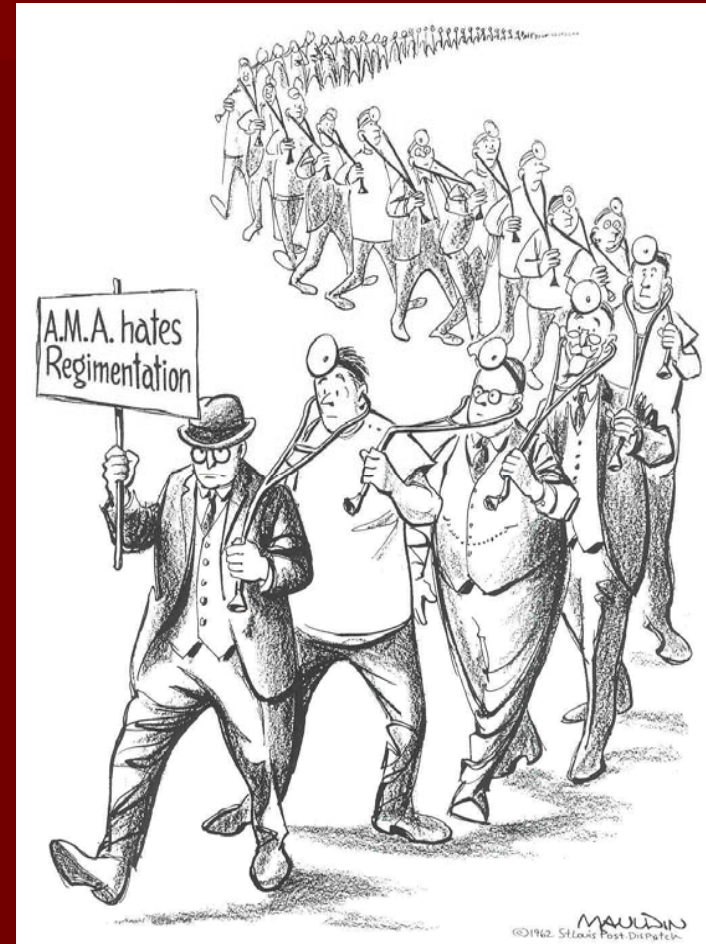
- The only country that does not guarantee universal coverage – 45 million uninsured.
- The only country where you can lose your health insurance if you lose your job
- The only country where the government insures only the elderly and the poor
- The only country in which the private insurance industry plays a dominant role in determining the distribution of health care services.

# THEORIES OF AMERICAN WELFARE STATE DEVELOPMENT

- Antistatist Values
- Weak Labor
- Decentralized Political Institutions
  - State structures
  - Path dependency

# AMA Tactics Against the Truman Plan

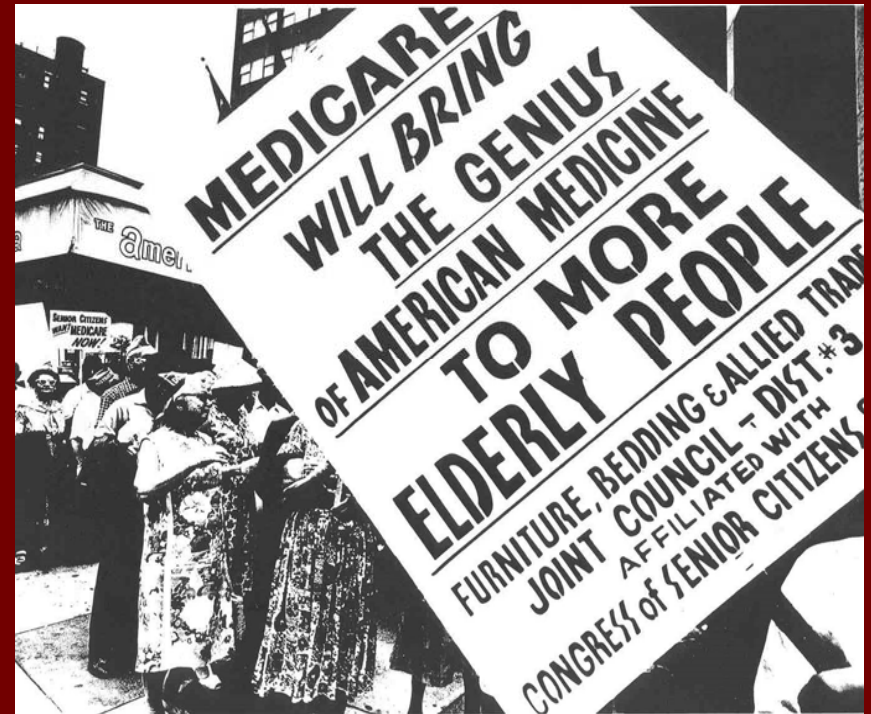
- Launched a “National Education Campaign
- Organized county medical societies into an anti-reform political machine
- Worked to defeat politicians who supported national health insurance



Wherever some form of dictatorship prevails in government, there we also find some manifestation of socialized medicine. The brand name of dictatorship makes no difference -- Communism, Fascism, Nazism, Socialism -- all are alike in that they enforce a system of State Medicine

# How Medicare Was Won

- The AFL-CIO campaign
- The mobilization of senior citizens
- The defection of AMA allies
- Public disdain for AMA tactics



# Medicare provisions

- Physicians could charge their usual fees
- Hospitals would be paid their customary charges
- Private insurance companies would administer the program
- Uncovered health care expenses left private insurers with medigap market



# HEALTH COVERAGE



# How the Clinton Plan Was Defeated

- The HIAA and the NFIB:
  - paid for a \$15 million ad campaign
  - enlisted grass roots supporters
  - created SWAT teams
  - made campaign contributions to key politicians
  - created coalition with other business organizations

# Stakeholder Mobilization

- Powerful stakeholders have blocked every attempt to enact national health insurance and supported a private sector alternative
- Tactics include lobbying elected officials, forming political coalitions, sponsoring “grassroots” social movement activities, supporting favored candidates and funding public information campaigns.
- The battle over national health insurance has shaped the structure of the health care system

# Constructing a Private Sector Alternative

- 1940s the defeat of national health insurance was coupled with policy decisions that encouraged the spread of private group insurance
- 1965 Medicare preserved a profitable market segment for private insurers and removed a key constituency from the struggle for universal coverage
- 1990s failure of Clinton's plan led to regulatory measures to shore up the private health insurance system

# What are the prospects for reform?

- Prospects for reform are enhanced when a coalition is organized in ways that closely mirror the representative arrangements of the American state
  - National leadership
  - Intermediate state-level institutions
  - Local grassroots chapters
- The most feasible reforms are those that build upon current financing arrangements.

# What Can Be Done?

- Expand Medicaid and SCHIP
- Enact a catastrophic coverage program to make basic insurance more affordable for small businesses and individuals
- Allow high risk and low income individuals families to buy into the federal employee health benefit program at a subsidized rate.
- Provide vouchers for everyone to purchase coverage
- Expand Medicare