Justice Talking
Radio Transcript

The Massachusetts Health Care Plan: The Right Diagnosis and Treatment?—Air Date: 6/12/06

Massachusetts reignited the national debate on health care when it recently passed a new plan that requires every Massachusetts resident to buy health insurance. Legislators argue that you have to buy car insurance or a home owner's policy if you get a mortgage. Why not health coverage as well? And, they say, new state plans that offer reduced rate and free plans for low-income residents not only will reduce the state's number of uninsured, Massachusetts can also serve as a model for national reform. Join us on this edition of Justice Talking as we examine health care reform and ask whether Massachusetts can cure an ailing health care system.

MARGOT ADLER: From NPR this is Justice Talking. I'm Margot Adler. Massachusetts recently passed a law that requires every state resident to have health insurance. Massachusetts is the first state to try such a bold plan, a groundbreaking move that is being watched by other states. Governor Mitt Romney says everyone should take responsibility for getting health care.

MITT ROMNEY: If they can't afford it, we'll help them buy it. We're no longer going to allow people just to free ride on the rest of our population, to cause companies that do provide insurance have to pay for those individuals who don't have insurance and those companies who choose not to provide insurance. Everybody pays their own fair share.

MARGOT ADLER: Is the Massachusetts plan viable? Should each state develop its own health care plan? More on the Massachusetts health care plan and covering the uninsured, after the news.

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MARGOT ADLER: This is Justice Talking. I'm Margot Adler. Forty-six million Americans currently live without health insurance. They are a diverse group of ages and incomes. For these people, health care is simply an unaffordable luxury. How did we get here and what can be done? On today's show, we'll look at a new Massachusetts law, a groundbreaking move that requires every state resident to have health insurance. We'll get the details on that law, how it works, and we'll look at whether it can be a model for other states. Later on in the show, we'll hear from the owner of a construction company in Tennessee who says she can't afford to buy health insurance for her employees or even herself. We'll also find out who the millions of Americans are who are living without health insurance.

The Massachusetts plan is complicated. It relies on juggling state and federal funds to help pay for insurance for people who don't have it. The new plan is being carefully watched by other states looking to develop new ways to deal with old problems. Martha Bebinger has this report from Boston.

MARTHA BEBINGER: Not surprisingly, the idea that everyone in Massachusetts will soon be required to have health insurance is controversial.

MICHELLE RUSSIAN: I don't think that's fair. If you want to make a law like that, they should at least give it to you for free.

MARTHA BEBINGER: Michelle Russian is outside a subway station in downtown Boston. Fellow commuter, Bill Smith, is not sure that a health insurance mandate is the best solution but he's ready to give it a try.

BILL SMITH: It's the most viable idea afloat right now nationally. Look at the rising cost of it. Something has to be done.

MARTHA BEBINGER: But Vydia Rowe says the mandate is not realistic. Rowe has three jobs and none offer health insurance.

VYDIA ROWE: If it's required and it's somehow subsidized, I think it's a great idea. If it's required but then there's no assistance from the government or from the employers, it kind of ends up being a Catch-22 because obviously if I could afford health insurance to begin with, I would have it.

MARTHA BEBINGER: The Massachusetts law aims to make health insurance more accessible in three ways. First, it gives more people coverage through Medicaid, the government-run health insurance program for the poor. Second, it will help pay health insurance premiums for the working poor, those who are not eligible for Medicaid. And it creates a state-run clearinghouse that will press insurers to offer cheaper policies for individuals and small businesses who must soon buy health coverage on their own. Insurance companies have

not yet presented these cheaper policies that will be key to making the law work. Residents who can prove that insurance is unaffordable will get a temporary waiver from the requirement, but if they just don't sign up, they will be fined through their state income taxes.

MITT ROMNEY: We're committed to the principle that everybody should have responsibility for getting their own health care insurance.

MARTHA BEBINGER: Massachusetts Governor, Mitt Romney.

MITT ROMNEY: If they can't afford it, we'll help them buy it. We're no longer going to allow people just to free ride on the rest of our population and to cause companies that do provide insurance to have to pay for those individuals who don't have insurance or those companies who choose not to provide insurance. Everybody pays their own fair share.

MARTHA BEBINGER: Governor Romney says the law will improve the health of residents and help hold down costs because insurance will cover preventive tests and regular office visits. But there are concerns about how much the plan will cost. Massachusetts expects to recycle the roughly $1.1 billion that the state and federal governments now spend to reimburse clinics and hospitals that care for the uninsured. The theory is that as uninsured residents join health care plans, they will cost the state less. Businesses that offer health coverage will continue to pay into a fund for the uninsured and for the first time, companies with ten or more workers that do not provide insurance will have to pay into that fund as well, $295 a year for each worker. Still, current estimates show a deficit for new health care spending after three years. Allen Wile, director of the National Academy of State Health Policy helped write a report used to draft the Massachusetts law.

ALLEN WILE: It is reasonable to raise a warning flag about the level of state spending. At the same time, those of us watching from the outside need to give the state a chance. It's easier to solve any health care problem with more money, but it hasn't, in the past, been politically viable. So the state has adopted an approach that fits within the political constraints that it confronts and now it's got to do the best it can with them.

MARTHA BEBINGER: Much of the country is watching and reacting to the Massachusetts experiment. Vermont, Michigan, Wisconsin and New York have all used the Massachusetts example to invigorate health insurance initiatives. But following Massachusetts' lead won't be easy for many states says James Mongan, CEO of the largest hospital system in Massachusetts, who serves on two national health care advisory boards. Mongin points out that even before the law passed, Massachusetts had a larger pool of funds for the uninsured than most states.

JAMES MONGAN: So we have dollars to work with. Other states have many more uninsured people and they don't have the uncompensated care program, so it's a much higher hill for them to climb, but, based on the fact that we're more open to appropriate levels of taxation in this state, we've done ourselves a big favor.

MARTHA BEBINGER: There are critics who say Massachusetts is taking the wrong approach. The AFL-CIO argues that the law lets businesses off the hook because it forces individuals to buy insurance while companies will only have to pay what union leaders consider a small fee. And Libertarians, including Michael Cannon at the Cato Institute, say the law is an unwarranted intrusion on individual freedom.

MICHAEL CANNON: There are lots of reasons why a person might want to go without health insurance for a time or for their entire lives. Certainly, the very wealthy don't need it, and young people, it makes sense for them sometimes to go without health insurance because they also have very little need.

MARTHA BEBINGER: The requirement that everyone in Massachusetts have health insurance, as long as it is affordable, takes effect next July first. For Justice Talking, I'm Martha Bebinger.

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MARGOT ADLER: As we just heard, there are many hurdles yet to be faced in the implementation of the Massachusetts health care plan. To find out more about the program, I'm joined by Diane Rowland, the executive vice president of the Henry J. Kaiser Family Foundation and the executive director of the Kaiser Commission on Medicaid and the Uninsured. Diane, what makes the Massachusetts health care plan different from what other states have attempted? Why has this gotten so much national attention?

DIANE ROWLAND: The first thing one would say about Massachusetts is that it is seeking to provide universal coverage. It is looking as a goal to use all the elements of the health insurance system, bring them together to provide coverage to 95 percent, hopefully, someday, 100 percent of Massachusetts residents.

MARGOT ADLER: And how are they doing this that makes it possible? In other words, what's different about this plan?

DIANE ROWLAND: They have taken elements from various people's proposals and put them together to try and make all these pieces of one puzzle come together to solve the health care crisis in Massachusetts. They're building on public coverage. They're improving employer-based coverage. And the unique aspect of this plan is they're requiring all individuals in the state ultimately to have health insurance coverage just the way they have coverage for their automobile if they drive an automobile in the state.

MARGOT ADLER: Let's talk about how this plan actually works for both employers and employees.

DIANE ROWLAND: Now the first key element of the plan is the individual mandate which requires that all individuals in the state have health insurance coverage and uses the tax code, the tax filings, as a way to enforce this mandate. The second aspect of it is to try to bring more employers to the table so any employer that does not offer coverage to their

employees has to pay an assessment toward helping to finance coverage for their individuals through a publicly-sponsored pool. The connector is what this organization that will be created to provide options for health insurance coverage to individuals is called. And it will be a place where those who do not get coverage through their employer can go and obtain a choice of plans that they can then subscribe to, in order to meet the required coverage that the individual mandate puts on them.

MARGOT ADLER: So it's sort of a marketplace for people to come and choose plans?

DIANE ROWLAND: It's a way to link people to insurance products by pooling those products together in a common offering with different values obviously in different products.

MARGOT ADLER: So is this an opportunity for insurance companies?

DIANE ROWLAND: This should be an opportunity for insurance companies to be able to offer coverage but one of the challenges in this plan is whether or not insurance companies will be able to come to the table with affordable products that individuals can obtain and pay for, and are willing to pay for, and that the subsidies that the state is proposing for low- and modest-income families are sufficient to be able to enable those families to buy the coverage they need.

MARGOT ADLER: What do you see as the other problems and challenges of the Massachusetts plan?

DIANE ROWLAND: I think two of the major issues that the plan has are, one, whether they will be able to come up with products, insurance products that are attractive to individuals, provide the coverage they seek for a price they can afford. The second issue is clearly linked to that and that's who will get the subsidies to help them be able to pay for coverage if their incomes are modest or low and will those subsidies be sufficient for the individuals to afford the plans that are offered. And obviously, at the end of the day, is there enough money in the system, are they financing it adequately so that they can really achieve the goal of universal coverage?

MARGOT ADLER: Now we've been focusing on Massachusetts but what are some other state models for covering the uninsured?

DIANE ROWLAND: Clearly some other states have looked more at building on their Medicaid program, expanding coverage to low-income parents to complement some of the advances in covering low income children that we've seen with Medicaid and with the state children's health insurance program.

MARGOT ADLER: Give me some examples of states.

DIANE ROWLAND: Well, one, Illinois has really led the way in trying to provide universal coverage for all of its children. It hasn't taken on the adult population to the extent that Massachusetts has but it has a program to allow all children in the state to be able to get

affordable health insurance coverage by being able to buy into the Medicaid program if they're not getting coverage through the employer-based system.

MARGOT ADLER: When I think about the Massachusetts plan, I wonder what the pros and cons are of a fifty-state health care solution.

DIANE ROWLAND: A fifty-state health care solution is probably not the way we need to go. It would contribute to more of a patchwork in coverage than what we have today. But what we hope out of Massachusetts is that it will lead the way to a breakthrough in how we might address the problem nationally so that we can see other states come along and end up with their population receiving broader coverage than they have today.

MARGOT ADLER: Diane Rowland is the executive vice president of the Henry J. Kaiser Family Foundation and the executive director of the Kaiser Commission on Medicaid and the Uninsured. Thank you so much, Diane.

DIANE ROWLAND: Thank you. It's been a pleasure.

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MARGOT ADLER: Coming up, more on the Massachusetts health care plan and what's at the root of rising health insurance costs.

UNIDENTIFIED MALE: The hospital pricing structure is insane. Until we reform the way Medicare regulates and Impala regulates how hospitals bill and how hospitals treat patients, in a world of consumer record health care, people are just going to get more and more irritated.

MARGOT ADLER: Rising health care costs, health insurance and covering the uninsured. Stay with us.

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MARGOT ADLER: This is Justice Talking. I'm Margot Adler. We're talking about the details of Massachusetts' new health care plan that requires every state resident to have health insurance. Joining me to talk about the plan and how best to cover the uninsured are Stuart Altman and John Graham. Stuart Altman is the dean of the Heller School for Social Policy and Management at Brandeis University. John Graham is the director of health care studies at the Pacific Research Institute, a free market think tank. John, what are the big problems with the Massachusetts plan as you see it?

JOHN GRAHAM: My basic criticism of it is that it forces people to get health insurance. Now, we want people to have health insurance, but what I don't see in this plan or enough of in this plan is what you are doing to make the insurers more innovative, what you are doing to make the hospitals more innovative. All the people who inhabit the power structure of American health care, you're taking the pressure off them, putting it on businesses and on

individuals. And that, I think, is going to have some negative unintended consequences down the road.

MARGOT ADLER: So you see the plan as something that won't really help to reduce costs.

JOHN GRAHAM: I think that's true, and we now have the basic penalty. If you're a company that has more than ten employees and you failed to provide health insurance to your workers, you get "fined" $295 a year. Well, that's what most people are going to do, I think. Okay, basically I increase my taxes by a $295 poll tax. Well, what's that going to be next year? It will go to $500 and then $1,000. And once you mandate this and you take the pressure off everybody including the government to control the costs in a sensible way I think you're opening the door not to reduce costs but to increase them.

STUART ALTMAN: First, let me support John's comment that this is not aimed to reduce the growth in health care costs and I think that is a problem that we need to deal with. But I do disagree with him about his concern about the growth of that $295. At the end of the day, we really have only two choices when it comes to whether we're going to substantially reduce the number of uninsured. Either we have to do it through government or we have to require individual employers and individuals to purchase it. Any voluntary effort, even with some small subsidies attached, just don't work because we can't make the subsidies large enough for low-income people to find it in their economic interest to buy it.

MARGOT ADLER: Now John, I know that some conservatives have objected to the employer component of the plan, but the Heritage Foundation, known for conservative views, says the requirement is not as onerous as it seems. What's your position on this and why did they take that position?

JOHN GRAHAM: Well, they were very key, actually, in developing a lot of the plan, and Romney has given them credit publicly for that, especially the issue of the connector.

MARGOT ADLER: Now how does that work? First, let's explain what the connector is.

STUART ALTMAN: It's a strange name to have for a government agency but I think it tells what it's supposed to do. It's supposed to do two things. One is to develop plans that individuals can purchase that are "affordable," because we realize and the state realizes that they're going to be asking a number of low-income and moderate-income people to buy this. So they don't want to have an insurance plan that is just out of their financial reach. And they're also the monitor of the insurance industry and the individuals to make sure that a) that they do provide the card that they promised, and b) that the individuals buy it.

MARGOT ADLER: John, I realize I interrupted you in the middle of that so can you continue?

JOHN GRAHAM: One of the things that I thought kind of made sense for the connector was, say you've got two part-time jobs that add up to basically full-time employment, say you've got two jobs that you're working 20 hours a week at. Neither of those employers

are giving you health care right now for obvious reasons. But if both of them together can pitch in to the connector, then you can get a health care plan.

STUART ALTMAN: John, I am very impressed that someone from Canada that lives in California has become as knowledgeable about the Massachusetts plan and is balanced. That is correct. Like anything else, people fall through the cracks all over the place and the connector is designed to try to pick as many of them out and make it work.

MARGOT ADLER: Well, let me ask a question as someone completely outside. I don't live in Massachusetts but I have employee-based health care. Does it mean if there is this connector and I am an individual in Massachusetts that I can walk right in there and say, oh, I can look at Signa, I can look at Oxford, I can look at this? Does it mean that I have enormous choice suddenly?

STUART ALTMAN: No, no, no. For those who are insured through their employer, every indication is it would continue pretty much the way it operates now. What we're talking about are individuals either who are not working or who do work for firms that don't offer it, who, as John pointed out, might be willing to pay the $295. This connector is primarily designed to help those whom the law requires to have it to buy it themselves.

MARGOT ADLER: John, would you agree with that?

JOHN GRAHAM: Yes, and I think a lot of people who, as you say, if you're working full-time for an employer, you're not going to see much difference in your health life. This is something that's going to hit at the margin. But again, the health insurance plans that are offered are not very liberalized. They're still very heavily mandated. So if I were an employer of a small business that was unable or struggling to offer health insurance and I look at this, I think I'm going to say this is another tax of $295 a head, I'm moving to New Hampshire, which is what I think Dukakis encountered in 1988 when he offered a plan for universal health care and even back then, they called it the "New Hampshire Effect," didn't they? People were saying this is not really solving the problem.

STUART ALTMAN: There's no question that, on the margins, some people can move, but if someone is prepared to move for $295, they probably have their bags packed way before this law was passed.

MARGOT ADLER: But wait a minute. If insurance for most people costs $6,000 a year, $600 a month, $10,000 a year for some high plans…

STUART ALTMAN: How about $14,000?

MARGOT ADLER: Yes. $295 doesn't seem like a lot of money. Why should employers only have to pay that?

STUART ALTMAN: Well, that's what the real issue is. The $295 is just a kind of a little tweak on the system that says, hey, you do have some obligation. And you say, well, where did

$295 come from, because it's so small. And if you multiply $295 times the number of employees that don't have insurance that are working, it adds up to the free care pool that is currently being spent. It's a mechanism whereby the state or the system can get back from these employers what the system is now paying for their health care. So it does have some logic, even though, when you look at it in comparison to $6,000, which is what a per capita or individual insurance plan would cost, it's trivial.

MARGOT ADLER: And that free care cost, where does it come from?

STUART ALTMAN: Well, right now a system is set up that allows hospitals and other institutions that provide care to the uninsured to get some of the money back that it costs them to provide it. And that comes from a variety of sources. Much of it comes from a tax that's really imposed on the hospitals themselves where those that do less free care kick into the fund and those that do a higher percentage get it back. But recently there's been more state money put into that. And indirectly, there's some federal money through what are called disproportionate share payments, and that's in fact one of the catalysts that required this legislation to move forward. The federal government said we're not going to continue to be as generous as we've been to you in the State of Massachusetts unless you do something about your uninsured.

MARGOT ADLER: Massachusetts had a few advantages in creating this plan. It had a higher percentage of state residents who had insurance through their employers. It had a low rate, about ten percent, of people who are uninsured in the state. Does the issue of scale come into play here, Stuart? How could California, a much larger state with a more complicated health care situation, implement a plan like Massachusetts?

STUART ALTMAN: I don't think it is going to be a model that is going to easily be adaptable or adopted by many states but, and it's a big "but," I think it sends a message to several states that want to do something that it is possible for a state to do something, and we're already seeing that. Vermont has moved forward on its version. Pennsylvania is talking about doing something. New Jersey is talking about doing something. There's interest in Washington State. But as you pointed out, a state like California that has much more serious problems would have to look at it differently.

MARGOT ADLER: John, when you look at state experimentation, what interesting ideas for health care reform are out there?

JOHN GRAHAM: Well, I'm a big fan, for lack of a better term, I like Sanford in South Carolina, and I like Bush in Florida, who are specifically addressing Medicaid reform. So they're not biting off the whole chaw of tobacco like Governor Romney has. And there is a bit of Medicaid reform, of course, in this plan in Massachusetts. I think what you're seeing in Florida and South Carolina is so-called consumer-directed Medicaid, health opportunity accounts, so Medicaid beneficiaries can control their resources and not just be on the receiving end of a government entitlement.

I think the number one thing that would get states to reform their health care in a more positive, consumer-focused direction is actually a bill in Washington, D.C. by John Shadegg of Arizona, which would allow the individual to shop for health insurance in a state where the regulatory environment is such that the health insurance is cheaper. And that's one issue that they haven't really talked about yet. You did mention that Massachusetts didn't have that many uninsured relative to the national average, so that leads one to ask the question, well, to one degree it's easier that Massachusetts could get this done but then why was Massachusetts the number one candidate to get this done? And Professor Altman has shown us the other side of the coin. The hospitals are in a lot of pain in Massachusetts so I think a lot of the pain and demand for this is actually driven by the providers, especially the hospitals. And of course, the hospitals in Massachusetts are the best in the world and they can't go around giving free care to people. So that is definitely a problem we have to get on top of and solve.

MARGOT ADLER: Stuart, how would you respond to that?

STUART ALTMAN: In the Massachusetts legislation, it does specifically allow health savings accounts as the only form of high deductible plans to be allowed as an option for the uninsured that are going to be now required to purchase it. And I do think it will help a number of uninsured who want to find a plan that is "affordable." So I'm not totally opposed to the idea of health savings accounts. We can't just look at coverage independent of concern about our growth in spending. We do need to get at that. And the Massachusetts plan doesn't do that. But it does begin the process, because it's really not fair or equitable to start cutting costs while you leave a lot of people out of the tent.

I think that's what's going to happen in the states like South Carolina and Florida. They're going to reduce the spending on Medicaid and it's not at all clear that they won't wind up actually reducing the number of people covered under their Medicaid program and leading to more uninsured.

MARGOT ADLER: John, what are your suggestions for health care reforms? How do you think we can cover the uninsured?

JOHN GRAHAM: Well, I'm far more enthusiastic about health savings accounts than Professor Altman. Now I think health savings accounts are necessary but not sufficient; they get consumer-directed health care going. For those of your listeners who don't know about health savings accounts, a health savings account is a tax-advantaged bank account, so that's not going to solve the health care problem. But what it does do is give you some control over how you spend your money.

Now in terms of insurance, whenever I hear the number 45 or 46 million uninsured pop up, I try and knock it back a little bit. That number can be interpreted many, many different ways. Those are people who are uninsured at one point during the year. If you look at the people who are uninsured all year, the number becomes much lower. Now some guy said to me, well, all right, Graham, suppose I'm insured from January to November, I become uninsured in December and then get diagnosed with leukemia in December. It didn't do

me any bloody good to be insured from January through November, did it? Well, of course, that's true. Now the problem there is that we have an employer-based system of health insurance and it's part of our mental wallpaper now that your employer should be primarily responsible for getting you health insurance, but he doesn't get you car insurance or fire and theft insurance. So we need to equalize the tax bias so that the individual gets the same tax deduction that the employer does when he gives you your health care.

And another thing, we have to deregulate health insurance, I think. There are a lot of mandates, a lot of care that has to be given that if you were free to negotiate with the insurance company what kind of health insurance you wanted, you wouldn't tack that on. New Jersey just passed a mandate. Any 30-year-old relative living in your house is a dependent on your health insurance plan, so too, to be blunt, your deadbeat kid comes back from getting his Master's degree and, plunk, he's on your health insurance plan. Well, that's got to increase the cost of health insurance. The hospital pricing structure is insane. Until we reform the way Medicare regulates and Impala regulates the way hospitals bill and how hospitals treat patients, in a world of consumer record health care, people are just going to get more and more irritated. We have to reform the pricing mechanism that the providers are faced with and then hopefully we'll get toward a solution and higher quality and lower cost.

MARGOT ADLER: Stuart, did you want to comment on that?

STUART ALTMAN: Yes, I do. Let me take on this issue about mandates because it's become a conservative mantra, and while there are a few mandates that, when you look at them, are rather silly, most mandates make a lot of sense. Sure, if you take a 25-year-old that picks and chooses and says, gee, I don't want to cover cancer care and I don't want to cover diabetes and I don't want to cover heart conditions because I'm not going to have one next year, the only thing I'm concerned about is if I go skiing and I break my head that I'll be covered, if we start doing that and picking and choosing among things that we think are going to affect us, what will happen is the poor sucker and the unfortunate person that actually has a serious medical condition—you're going to have the blind insuring the blind, the cancer patient insuring the cancer patient.

And we saw that in spades just recently when Senator Enzi put together a bill which sounded very nice. It was going to allow small businesses to buy the same bulk kind of insurance that everybody else buys. But really what he was doing was eliminating all state mandates, and every organization—the cancer people, the diabetes people, the heart condition people—every attorney general in the United States rose up in anger and said you can't do this. So let's be careful when we sort of simply say let's do away with mandates and let's allow people to pick the kind of insurance they want because once they start doing that, there's going to be a lot of self-selection, there's going to be a lot of free riders. Everyone's going to be jockeying around to find just the plan that would work for them and then try to guess when they might need a more expensive plan so they can jump into that one as well.

MARGOT ADLER: Thank you both, John Graham and Stuart Altman. John Graham is the director of health care studies at the Pacific Research Institute, a free market think tank. Also with me is Stuart Altman. He's the dean of the Heller School for Social Policy and Management at Brandeis University. Thank you both for coming to the show.

STUART ALTMAN: Well, John, welcome to the fight.

JOHN GRAHAM: Thank you very much. It's been a privilege.

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MARGOT ADLER: Coming up, we'll hear from the owner of a national construction company who doesn't offer health insurance to her employees. She says it makes hiring tough.

COMPANY OWNER: It puts such a bind on you in trying to hire new people or attract new people, even keep people, because, you know, our society has come to expect that the employer is the parent and if you don't have the parenting skills or opportunities, they will look for someone who does.

MARGOT ADLER: What it's like to work and live without health insurance. Don't go away.

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MARGOT ADLER: This is Justice Talking. I'm Margot Adler. On today's show, we're talking about health care and the uninsured in America. The number of uninsured Americans is growing and a larger number of businesses are not offering health insurance to their employees. To find out what Americans think about health care costs and access to health care, I spoke to Frank Newport, editor-in-chief of the Gallup Poll. Welcome, Frank.

FRANK NEWPORT: Thank you. Good to be with you.

MARGOT ADLER: I notice that Americans generally believe the quality of their health care is good. What can you tell us about that?

FRANK NEWPORT: Well, that's right. We hear a lot of talk about how we have a health care crisis. For example, we heard that in '94 or '93 when the Clintons were working on health care because they defined it as a crisis. But when you focus in on the average American and say, well, all right, don't talk about the country as a whole but talk about your situation, you get quite a bit more positive recording from the public. They like their doctor. They think the quality of the health care they get is okay, and so on and so forth.

MARGOT ADLER: And now, compared to ten years ago?

FRANK NEWPORT: There have been some changes. Ten years ago…there are different focuses on the part of the American public, but yes, I would say Americans are somewhat more negative than they have been.

MARGOT ADLER: Now Americans are clearly dissatisfied with the cost of health care. One figure I saw from your surveys was that a whopping 79 percent were dissatisfied.

FRANK NEWPORT: That's right.

MARGOT ADLER: What can you tell us about that?

FRANK NEWPORT: Well, the facts just speak for themselves. When you ask Americans about how much they are paying for the cost, they clearly don't like it. They say they are dissatisfied with what they have to pay. What's interesting is that we have a question that we have asked over the years: What is the most urgent health problem facing the country at this time? In the olden days, so to speak, like in the 80s and the 90s, diseases were named. It used to be cancer and AIDS, for example, that would be the dominant responses off the tops of people's heads. Nowadays, when you ask what the most urgent health problem is, diseases aren't mentioned nearly as much. What people talk about is cost and access to health care and insurance problems and so forth.

MARGOT ADLER: Now Americans seem to want the government involved in health care but not in control of health care. Explain what you found.

FRANK NEWPORT: Tricky distinction there. The American public clearly will say, yes, the federal government should get more involved in trying to do something to ensure that Americans have access to health care and don't have to pay a lot. But when you follow through and say, all right, does that mean you would support the idea, like Canada has, of a national health care system run by the government, Americans say no, we don't want a federal health care plan. So Americans kind of want control by the government, do something about it, but don't go so far as that you're running the system. And that's kind of the paradox in what we find in American public opinion.

MARGOT ADLER: How does this break down by party line?

FRANK NEWPORT: Clearly by party lines, Democrats, as you might imagine, given, again, the fact that the Clintons, Democrats of course, were heavily involved in this back in '93-'94, Democrats in general would be more likely to say, yes, Congress and the president should do something about it and move for a national health care plan. Republicans, again, not shockingly, more conservative, less likely to favor government controls, say, no, we don't think government needs to be that involved and also we don't favor a national health care plan.

MARGOT ADLER: Some businesses are finding that providing health care for their employees is increasingly burdensome. But I was struck in looking at your numbers that Americans seem to believe it is the responsibility of business to provide health care. What do you say about that?

FRANK NEWPORT: Absolutely, and this is a very important point. Americans are quite in favor of businesses, particularly big business, sharing, taking on the burden of providing health care for their employees. And business executives don't like it but the public does. In fact, when pollsters put in front of the public in surveys solutions such as require businesses to do this or to provide health insurance or to do more, Americans almost inevitably will say yes, they favor that kind of idea. So there is this strain of thought out there that business should be doing more and that the burden should be more on business shoulders. And all of that is really anathema to big business, who claim, as we've witnessed from General Motors, one of the big reasons they're having so many problems is they have to pay these enormous health care costs for current employees and retirement. They don't like it but the American public says that's a good idea.

MARGOT ADLER: Frank Newport is the editor-in-chief of the Gallup Poll. Thank you so much, Frank.

FRANK NEWPORT: All right, nice to talk to you again.

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MARGOT ADLER: There are millions of Americans living without health insurance. Who are they? How old are they? Do they have jobs? To help us answer those questions, Karen Davis has joined us. She is the president of the Commonwealth Fund, which recently released a report on the health coverage of Americans. Throughout the show, we've been using 46 million as the number of uninsured Americans. Your study says it's 48 million. How accurate are these numbers?

KAREN DAVIS: Well, we do these through surveys and ask people: Are you insured today? We probe whether they're covered under an employer plan, under the Medicare program for the elderly or a state program like the Medicaid program that covers low-income people. And then we say, well, is there anything else that you might have. And we also ask if people have been uninsured at any point over the past year because insurance comes and goes. And so the problem is much bigger than it is for just people who are uninsured at one point in time.

MARGOT ADLER: And why do we get these calls that these numbers are inaccurate? Because they are talking about the continuously versus the non-continuously insured? I mean, you get that in various pundits talking about this a lot.

KAREN DAVIS: Right. There are some people who think the numbers are too low, some people who think the numbers are too high. Those who think it's too high said, well, there are people who are eligible for public programs. They're just not participating. But if they really got sick, they would go get signed up for coverage and many of these programs can even apply retroactively.

MARGOT ADLER: And how many uninsured children are in America?

KAREN DAVIS: There are about 11 million uninsured children at any point in time. Obviously, in our surveys we're talking with adults and focused primarily on working-age adults between the ages of 19 and 64. And that's when the most serious problems are. Since the year 2000, the total number of uninsured has grown by about 6 million people and that's all among adults and it's all among working adults. So fortunately, the number of uninsured children has been stable or declining a little bit because we've expanded some public programs that at least help provide health insurance to low-income children.

MARGOT ADLER: Who are these 48 million people? Give us a sense of who they are. Paint a picture for us.

KAREN DAVIS: Well, first of all, they're disproportionately young adults. About a fourth of them are young people between the ages of 19 and 29. What we find in our studies is that when people graduate from high school or graduate from college, they're at high risk of losing their health insurance coverage. Some plans will cover young adults under their parents' health insurance policy if they're full-time college students. But it's true at other ages as well, and in fact, older adults ages 55 to 64 are the group you really have to worry about because that's when serious illness can strike—a stroke or a heart attack, cancer—that can lead to major bills. So while they're less likely to be uninsured, when something goes wrong, it really goes wrong.

MARGOT ADLER: Now has the number of people without life insurance grown over the years and, if so, why?

KAREN DAVIS: Yes, there's been a major increase. If you really go over a long period of time, it declined from the mid 1970s to the mid 1990s. For a brief period of time at the end of the 1990s, we had a booming economy. We had very low unemployment rates and we actually saw the numbers of uninsured start to tip down. But in the year 2000, we headed into an economic slowdown, a recession. And since then, we've had steadily rising numbers of uninsured.

MARGOT ADLER: And where do the working poor fit into this? What percentage are on Medicaid? How has that shifted?

KAREN DAVIS: Well, the most serious and growing problem really is in lower wage working families. They're not poor enough to qualify for Medicaid but they have incomes say between $20,000 and $40,000 a year, what we think of as kind of just below the average income level. And what we find in our studies is that's the most rapidly increasing rate of going without health insurance. Back in 2001, when we did this study, 28 percent of families in that income range were uninsured at some point during the year. Now, 41 percent of families with incomes between $20,000 and $40,000 are uninsured. So that's the group that's really feeling it the hardest and really being hit the hardest.

MARGOT ADLER: In your survey of the uninsured, what did survey respondents say they did for health care treatment when they needed it?

KAREN DAVIS: Well, first of all, if they were uninsured, they were much more likely to say they just didn't go to the doctor when they felt like they needed to or if they did go to the doctor and the doctor says you really should take this drug, then they didn't fill the prescription, or they took it and they cut the pills in half or they took a dose every other day instead of every day. In fact, we found that almost 60 percent of the uninsured were either not filling their prescription or they were skipping a dose. And this is people with chronic conditions like diabetes or high blood pressure where it's critical that they stay on this medication. They also report that they don't go see a specialist, or the doctor says you really need a mammogram, you really ought to have a check for colon cancer, and they think, well, I really can't afford that, I'll put it off. Maybe I'll get insurance down the road, I'll do it later.

MARGOT ADLER: Does having a system where most Americans get their health insurance through their employers mean that we're always going to have a lot of uninsured Americans?

KAREN DAVIS: Well, I think we have to really design a system that picks people up wherever they are, and I think employer coverage is an important part of that. 160 million people get health insurance from their employer. Most of them are very satisfied with it. Low wage workers that don't have that coverage want what high wage workers have and those are good health benefits on the job. So I think that's an important part of the solution, but we need to go beyond that. We need to find ways of making health insurance more affordable for small businesses. We need to find ways in which self-employed individuals or unemployed individuals can get coverage so that we have a seamless health care system with good options for everybody.

MARGOT ADLER: Karen Davis is president of the Commonwealth Fund, a national philanthropy engaged in independent research on health and social policy issues. The Commonwealth Fund recently released a report on the health coverage of Americans. Thanks, Karen, for being with us.

KAREN DAVIS: Good to be here.

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MARGOT ADLER: We just got a better picture of who the uninsured are and why they might be living without health insurance. Tanya Jones has had comprehensive health insurance all of her adult life. That is, until recently. She is the owner of a national construction company and she says she can no longer afford to offer health care coverage to her employees. I asked her why.

TANYA JONES: Well, I had had my insurance through a much larger group that was managing payrolls, so they had like 1,000 people that they managed payrolls for and they were able to give insurance for that group. It's a large enough group for actuarial studies and all the things that they do to set rates. So we were able to get insurance at a pretty reasonable rate. About two and a half years ago, the company fired my company and some others,

and while they just said that they didn't have construction companies anymore, I think it was a bigger issue of we have an aging workforce. They couldn't say that so I don't know that for a fact.

MARGOT ADLER: But they were implying that you should hire younger people?

TANYA JONES: I've been told that, yes. I sure have. We'd been with the company eighteen years.

MARGOT ADLER: What kind of advantage is being in that group? What was the insurance like?

TANYA JONES: Almost the same as I had with my ex-husband with General Electric. I mean, I honestly was giving benefits to my employees regarding health insurance that were very similar to what I had as married to a corporate man.

MARGOT ADLER: Now how many employees do you have?

TANYA JONES: I currently have nine and I was just told a few minutes ago, as of Monday, we'll have ten.

MARGOT ADLER: And do any of them have insurance now?

TANYA JONES: Yes, I would say at least half of them have spousal insurance.

MARGOT ADLER: In other words, they got the insurance through their spouses' workplaces?

TANYA JONES: Right. And most of them either work here for one of the universities or for one of the labor unions or places that are big and have, you know, health care.

MARGOT ADLER: How many people are involved that don't have insurance at your company?

TANYA JONES: Well, there would be three of us now.

MARGOT ADLER: And that includes you?

TANYA JONES: Yes, it does include me.

MARGOT ADLER: What's it like not to have health insurance?

TANYA JONES: Very scary. You know, I'm a hugely responsible person and it's frightening to me to not have my health, or my assets actually, somewhat protected. If there was a catastrophic illness or something like that, I literally could lose it all and that's frightening.

MARGOT ADLER: Do you struggle with not being able to provide health insurance to those employees that don't have it?

TANYA JONES: Oh, absolutely. One of them has just turned 65 and I think he's going to end up on Medicare, so that will only leave two of us but the one has got two small children and she's a single mother.

MARGOT ADLER: Now what about yourself? You haven't decided to have an individual policy for yourself?

TANYA JONES: I have tried to get an individual policy. I was diagnosed with diabetes just literally months before I was fired by the company that we talked about. So because of the pre-existing condition, my insurance premium is close to $1,000 a month, which is just slightly more than my mortgage. And I just don't make that kind of money.

MARGOT ADLER: Wow, so what do you do? You just…

TANYA JONES: …don't do.

MARGOT ADLER: Do you go to doctors?

TANYA JONES: I do to go doctors. I've got some health coverage through a cafeteria plan which is pre-tax dollars for medication, so I put the maximum the government allows into that a year which is about $5,000. So I still go to doctors and that gives me a little bit of a discount. I belong to a PPO that gives a discount card. It's not insurance, it's just a discount card for some physicians, but mostly medication. So I'm trying to buy down my exposure with that. And then for catastrophic, I have two small AFLAC policies which are out there and available for me.

MARGOT ADLER: How has all of this affected your relationship with your workers, particularly the ones over the years that have not had health insurance since that plan ended? Has anyone quit over it?

TANYA JONES: Yes, I lost two really long-time employees. One of them had been with me 23 years. She actually started with me in another company. And I tell you, and I will probably speak for all small businesses that don't have insurance, it puts such a bind on you in trying to hire new people or attract new people, even keep people because, you know, our society has come to expect that the employer is the parent and if you don't have the parenting skills or opportunities, they will look for someone who does.

MARGOT ADLER: Tanya Jones is the owner of Mark IV Enterprises, a national construction company. Thank you so much, Tanya, for being on the show. Tell us what you think about health care, about what changes should be made to America's health care system. You can share your thoughts on our website, justicetalking.org.

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