

On Abortion, Republicans Treat Women Like Children



The Tide Is Turning on Healthcare Reform

In the past month, momentum on healthcare reform has unmistakably shifted as progressives have taken to the streets, the Internet and the halls of Congress to push for a bold plan.

Peter Dreier October 23, 2009 | This article appeared in the November 9, 2009 edition of *The Nation*.

Like

3

Tweet

0



TEXT SIZE



SUBSCRIBE

Social movements are messy, so it is often difficult to know, in the midst of the battle, which side is winning. But in the past month, momentum on healthcare reform has unmistakably shifted as liberals and progressives have taken to the streets, the Internet, the airwaves and the halls of Congress to push for a bold public option, strong regulations on insurance abuses and a progressive tax plan to finance reform.

About the Author

Peter Dreier

Peter Dreier is E.P. Clapp Distinguished Professor of Politics and chair of the Urban & Environmental Policy...

Also by the Author

Shut Down the Merchants of Death

(Guns and Gun Control)

It's time to end the sale of military-style assault weapons to civilians.

Peter Dreier and Donald Cohen Obama Won. Now It's Time to Change the System

(Barack Obama, Campaign Finance, Labor, Voter Rights, Activism, Citizens United, Corporate Lobbying, The Left)

In the next four years—and beyond—progressives must create the political space for the president to represent the majority of Americans.

Peter Dreier and Donald Cohen

than a pep rally for extremists, encouraged by Fox News and talk-show jocks. The right-wingers stoked fear and confusion by warning that Obama's "socialized medicine" plan would create "death panels," subsidize illegal immigrants, pay for abortions and force people to drop their current insurance.

Republican officials, including Senator Charles Grassley, Senator Jim Demint, and Republican National Committee chair Michael Steele, and conservative pundits Glenn Beck, Rush Limbaugh, Sean Hannity, Bill O'Reilly and Betsy McCaughey repeated these myths. And support for the public option tumbled over the summer in response. In June, 62 percent of Americans told *Washington Post*/ABC pollsters that they favored a public option. By mid-August, support had slipped to 52 percent. Obama's popularity fell, too, as jobs continued to disappear and the administration's proposals to bail out the banks and the auto industry met with right-wing attacks and public skepticism.

For months Obama had insisted that any significant reform of the healthcare system include a "public option"—an expanded version of Medicare that would compete with private insurance companies, pressuring them to reduce costs and providing Americans with greater choice. Republicans made it clear that they wouldn't support any plan that competes with the

The Obama administration and its allies in Congress now understand that permitting the unholy alliance of insurance industry muscle, conservative Democratic obfuscation and right-wing mob tactics to defeat the president's healthcare proposal would write the conservative playbook for blocking other key components of his agenda—including action on climate change, immigration reform and labor laws. So in just the past few weeks, we've seen a change in strategy, a strong grassroots movement and markedly firmer resolve by the White House and liberal Democrats in Congress.

The Summer of Right-Wing Rage

At the end of the summer, pundits were already writing obituaries for major healthcare reform. Particularly during the August Congressional recess, an epidemic of right-wing anger against Obama and his policy agenda—of which healthcare reform was simply an immediate and convenient target—captivated the media, which reported disruptions at Congressional town hall meetings as though they were an accurate reflection of public opinion rather

insurance industry or challenges its runaway costs and irresponsible practices. With huge majorities in both houses of Congress, Obama didn't need to win Republican votes, but he still held out hope for a bipartisan bill. More troubling, Obama discovered that even he couldn't charm the conservative Democrats in Congress into supporting his plan.

By the end of August the president, unsure of his political footing, was sending signals that he might settle for reform without a public option, assuaging conservative Democrats and the insurance industry but angering many of his progressive supporters.

The death in August of healthcare reform stalwart Senator Ted Kennedy bolstered the influence of Senator Max Baucus, chair of the Senate Finance Committee, which was drafting its own health reform legislation. Baucus, a darling of the health insurance and pharmaceutical industries, has been particularly opposed to Obama's proposal for a public option.

In its [August 17 cover story](#), *Business Week* reported that "The Health Insurers Have Already Won." As if to confirm *Business Week's* analysis, in mid-September Steve Elmendorf, a lobbyist for UnitedHealth, sent out invitations to a fundraiser at his home for House Speaker Nancy Pelosi. That same day, reports from CNN and the Associated Press suggested that Pelosi appeared to back off her nonnegotiable support for the public option.

Targeting Insurance Industry Giants

Health Care for America Now (HCAN), a coalition of unions, community organizations, consumer groups, environmentalists and netroots groups such as MoveOn, has been spearheading the reform campaign since the group was launched in July 2008. In Pennsylvania, a combination of HCAN activism and Representative Joe Sestak's primary challenge to the newly Democratic Senator Arlen Specter pushed the incumbent to become a reluctant reformer. (Specter first voiced support for a public option at an HCAN rally in June.) During the summer, as healthcare reform bills moved through Congress, HCAN, MoveOn, the Service Employees International Union (SEIU) and the American Federation of State, County and Municipal Employees (AFSCME) launched television advertising campaigns, costing several million dollars, that asked Senate and House members in key states to support bold legislation that included a public option.

But these efforts received little media attention. And although most Democrats in the House and Senate were on board with the Obama plan, activists seemed unable to sway conservative Democrats needed to win sixty votes to thwart a Republican filibuster.

In late August, seeing defeat on the horizon, HCAN and other reform activists regrouped. They decided to act more like a grassroots movement and less like an interest group. That meant mobilizing voters, focusing attention on the insurance industry, humanizing the battle by giving insurance company victims an opportunity to tell their stories and using creative tactics to generate media attention. In the past month the grassroots movement has focused on the insurance industry's outrageous profits, abuse of consumers and outsized political influence. And they've been warning Democrats not to get duped by the industry's pledges of cooperation.

The decision to target the insurance industry as the major culprit for the nation's healthcare crisis and as the major lobbying force trying to thwart reform was critical. Most Americans don't like their insurance companies. But the industry had been virtually invisible since Obama took office. For months the Obama administration and Senate Democrats coddled insurance industry giants, hoping to enlist their support for insurance reform. Karen Ignagni, president of America's Health Insurance Plans (AHIP), had orchestrated the industry's apparent cooperation with the Democrats drafting healthcare legislation, particularly with Baucus. Glowing mainstream media profiles of Ignagni admired her skill at coaxing the big

insurance companies to try to co-opt, rather than confront, the Democrats, drawing a contrast to the industry's combative stance during the early 1990s.

Since HCAN decided to expose the insurance industry, the group has mounted more than 200 increasingly feisty protest events in forty-six states. On September 22 HCAN sponsored about 150 demonstrations at various insurance company offices across the country. The *Los Angeles Times* did not bother to report about the several hundred demonstrators at WellPoint's California subsidiary office, a few blocks from the newspaper's office; nor did the *New York Times* report on those outside UnitedHealth in midtown Manhattan. HCAN rallies that did attract reporters were treated as isolated local events rather than components of a nationally coordinated protest and a burgeoning grassroots movement.

On October 1 a moving van pulled up in front of a large house in a neighborhood just outside Philadelphia, the home of Edward Hanway, CEO of CIGNA, and eight HCAN demonstrators got out. One was Stacie Ritter, a former CIGNA customer whose twin girls were afflicted with cancer at age 4. Their treatment left permanent damage, and CIGNA refused to pay for the human growth hormones that her doctor prescribed to help her daughters grow properly. When Ritter's husband was briefly unemployed, they were bankrupted. No one was home at Hanway's mansion. Ritter left a note: "Can I stay in your carriage house until we get back on our feet financially?"

The same day, in Indianapolis, HCAN organized a house call on Angela Braly, CEO of WellPoint, the nation's largest health insurance company. And in Wayzata, Minnesota, fifty protesters, holding umbrellas and candles, stood outside the lakeside mansion of UnitedHealth CEO Stephen Hemsley, in the rain, and screened a video unkind to the company. (HCAN had tried to buy time to broadcast the video on CNN, but the network refused to air it.)

Two weeks later, on October 5 and 6, HCAN returned to the scenes of the "crime"--insurance company headquarters in more than fifty cities--armed with signs, personal stories, crime-scene tape and chalk to tell the CEOs, "It's a crime to deny our care." Protesters in Boston, Minneapolis and Philadelphia engaged in nonviolent civil disobedience and were arrested. In addition to HCAN, a number of independent health reform groups--including advocates for a single-payer system--waged protests of their own in several cities.

In mid-October, on the day campaign contribution filings were due, MoveOn members visited senators' offices in Washington and on their home turf. In Salt Lake City, activists that stood outside Senator Orrin Hatch's office holding signs pointed out that Hatch has taken \$913,000 in contributions from health insurance companies. The protest led Hatch to tell a national TV audience that MoveOn is "not going to smear me without getting kicked in the teeth by me."

On October 22 HCAN activists surrounded the Capital Hilton Hotel hosting AHIP's annual convention at the hotel in Washington, DC, with signs that read, "It's a crime to deny care." HCAN brought seven families from across the country to tell their stories of denied care and egregious mistreatment by the private health insurance industry. The families sent a letter to Karen Ignagni challenging her to face them in person and hear what they've endured.

Reform advocates have not only highlighted the plight of insurance industry victims but also identified former industry employees, like former CIGNA executive Wendell Potter and former Humana physician Linda Peeno, to blow the whistle on the industry's abuse of its customers. Documentary filmmaker Robert Greenwald's Brave New Films has created a series of short videos documenting the outrageous compensation and lavish lifestyles of industry CEOs (UnitedHealth's Hemsley made \$57,000 per day last year) while millions of Americans go without insurance or bankrupt themselves with medical bills.

America's Healthcare Crisis

The focus on the insurance industry has brought into relief the tragic realities of America's healthcare crisis. In the past decade, the number of Americans without any health insurance and the number who face bankruptcy due to insurance bills have both increased significantly. And over the past decade, premiums have gone up 138 percent, 3.5 times the growth in family incomes. In addition, insurance deductibles, co-pays and co-insurance have been skyrocketing, to thousands of dollars a year for families, especially for those with the cheaper insurance plans. Despite rising premiums, insurance companies continue to refuse to pay claims or delay payments, both of which result in increased revenues for them. Last year, even in the midst of a recession, UnitedHealth raked in \$2.9 billion in profits; WellPoint, \$2.5 billion; Aetna, \$1.4 billion; Humana, \$647 million; and Cigna, \$292 million.

Meanwhile, the number of uninsured Americans is up to 46 million. Millions more are underinsured—they pay for plans that leave them vulnerable in the event of unexpected health emergencies. More employers are shifting costs to employees or dropping coverage entirely. Medical bills are now the principle factor in 62 percent of personal bankruptcies. More than half of Americans, the majority of them people with insurance, are skipping needed care due to high out-of-pocket costs.

In its annual survey of the nation's health insurance industry, released in January, the American Medical Association found that just one or two companies dominate in 94 percent of 314 metropolitan markets. "Without rivals to compete against," said AMA President-elect James Rohack, "a large health insurance company can take advantage of patients by raising premiums and dictating important aspects of patient care without fear of losing business."

To prepare for the battle over reform, health industry lobby groups had hired more than 350 former government staff members and retired members of Congress to lobby for them; two of them are Baucus's former chiefs of staff. Since 2007 the insurance industry and HMOs have spent \$51 million in campaign contributions, targeted disproportionately to key members of the Congressional committees drafting health reform bills. They have also spent at least \$191 million on lobbyists, according to the nonpartisan Center for Responsive Politics. During the first half of this year, the insurance and HMO industry increased its lobbying expenditures and campaign contributions to some \$700,000 a day.

President Obama hasn't shied away from criticizing insurance companies, either. In his September 9 speech to Congress about health reform, Obama turned a corner: he gave healthcare reform activists the signal to accelerate their grassroots push for a bold plan that includes a public option and requires insurance companies to act more responsibly. Obama took aim at the right wing, calling its claims "a lie, plain and simple."

Equally important, Obama finally took off the gloves and came out swinging against the insurance industry as the major obstacle to significant reform. "As soon as I sign this bill, it will be against the law for insurance companies to drop your coverage when you get sick or water it down when you need it the most," Obama declared.

Obama's speech, and HCAN's burgeoning protest movement, emboldened Organizing for America (OFA), the group created to organize Obama's former campaign volunteers. Once in office, Obama moved quickly, announcing one ambitious legislative objective after another. But instead of launching a parallel strategy to mobilize Obama's campaign supporters, OFA failed to keep up. Some critics argued that Obama had put OFA in a political straightjacket by folding it within the Democratic National Committee, making it difficult to confront conservative Democrats. Many Obama campaign activists grew restless, hoping to participate in organizing efforts to push a progressive policy agenda.

In September a number of OFA staffers and key volunteer leaders threatened to quit if OFA didn't use its potential influence by encouraging members to challenge Democrats who refused to support Obama's healthcare plan. In response, OFA directed its members to

participate in the protest rallies across the country, and it began targeting conservative and moderate Democrats. On October 20, local OFA groups generated 315,023 calls to Congress pushing healthcare overhaul, tripling the original goal of 100,000.

The Insurance Lobby Miscalculates

In response to escalating criticism, the insurance industry miscalculated. After pretending to cooperate with the Obama administration and Democrats, the industry's CEOs and lobbyists double-crossed their onetime political allies by publicly attacking a compromise bill crafted by Baucus.

What triggered the industry's about-face was a Congressional Budget Office report scoring the Senate Finance Committee proposal. The CBO estimated that it would cost \$829 billion over the next ten years--less than the \$900 billion President Obama had suggested--and would reduce the deficit by \$81 billion. The industry wasn't happy with even the weak provisions in the proposal that would "contain costs"--which the insurance companies translate into "reduce profits." Nor did it like that the Senate Finance Committee adopted amendments reducing penalties for those who fail to buy private insurance.

So AHIP threw a temper tantrum, releasing a report warning that average family premiums will increase to \$21,300 if the Finance Committee bill is adopted. But the AHIP report neglects to take into account the Finance Committee bill's premium subsidies for families with incomes below \$88,000.

The White House and the Democratic leadership in Congress were taken by surprise. Said Scott Mulhauser, a spokesman for Baucus and the other Democrats on the Finance Committee: "This report is untrue, disingenuous and bought and paid for by the same health insurance companies that have been gouging consumers for too long. Now that healthcare reform grows ever closer, these health insurers are breaking out the same tired playbook of deception. It's a health insurance company hatchet job."

"I'd spent a couple of hours with insurance industry folks last week, and yes, I did feel blindsided," Nancy Ann DeParle, director of the White House Office of Health Reform, told NBC. "I did feel we were working constructively."

Obama used his weekly address on October 17 to blast the insurance industry in words even stronger than he used in his speech to Congress in September. "The history is clear: for decades rising healthcare costs have unleashed havoc on families, businesses and the economy," Obama said. "And for decades, whenever we have tried to reform the system, the insurance companies have done everything in their considerable power to stop us." He charged the industry with "filling the airwaves with deceptive and dishonest ads" and "funding studies designed to mislead the American people." And he suggested that it was time to reconsider the industry's exemption from federal anti-trust laws.

Soon the chorus in favor of the public option was getting louder. At a press conference this past Monday, Senator Harry Reid, the Senate majority leader, said, "We're leaning towards talking about a public option," stronger language than he's used in the past. On October 20 Pelosi said that she intends to push a more liberal version of a public option plan that would link reimbursement rates to Medicare. She explained that she has more than 200 votes for the plan and wants to see "if we can find the remaining votes," according to *Politico*.

On October 21 the House Judiciary Committee voted to strip the health insurance industry of its sixty-four-year-old anti-trust exemption, enabling the government to force more competition into the industry. Senators Reid, Patrick Leahy and Charles Schumer announced they would file similar legislation.

Public support for a public option has recovered after taking a tumble over the summer. This

week a *Washington Post*/ABC poll found that 57 percent favor a public insurance option, while 40 percent oppose it. If a public plan were run by the states and available only to those who lack affordable private options, support for it jumps to 76 percent. Under those circumstances, even a majority of Republicans, 56 percent, favor it.

There is still no guarantee that a progressive bill will make it out of conference committee and end up on Obama's desk. There is still wiggle room on all three major fronts of the escalating battle for health reform: the public option, pre-existing condition reform and financing. As part of its health reform bill, the House has recommended a tax surcharge on the richest 1.3 percent of Americans--families with incomes of more than \$350,000. This approach is much more progressive and efficient than the Finance Committee's plan to tax so-called Cadillac insurance policies. And there is still the question of who will be eligible for the government subsidies to help them buy insurance.

The insurance industry and its allies are still trying to weaken any legislation that threatens its profits and power. But it is on the defensive, and the Democrats seem to have rediscovered their backbone. Genuine healthcare reform--which seemed probable in January and impossible in August--now seems possible. Activists helped turn the tide.

Peter Dreier October 23, 2009 | This article appeared in the November 9, 2009 edition of *The Nation*.

Like 3 Tweet 0 [Email icon] TEXT SIZE [minus icon] [plus icon] SUBSCRIBE

Print | Web Letter (5) | Write a Letter | Single Page

Suggested for you

- How America Became a Third World Country
- From Soy to Sex: Why 'Natural' Often Means Bad for Women
- Obama Did It for the Money
- Edward Snowden: One American Who Isn't For Sale
- The \$385 Billion Military-Industrial Boondoggle You've Never Heard Of
- Why Christians Like Me Should Listen to Critiques of Evangelical Adoption

From around the web

Advertisement


- Pastor says he turned his father's \$40,000 retirement into \$396,000 by... **moneynews**
- Surprisingly simple solution to help your joints. See why these ingred... **Instaflex**
- Stocks soar--but some wealthy citizens are preparing for the "End of... **Stansberry Research**
- Fuel TV host Gabriela Cevallos gets hearts racing in new photo gallery... **Sports Illustrated**
- Billionaires Dump Stocks After Prophetic Economist Issues Dire Warning... **newsmax**
- Los Angeles - All California drivers should not pay their insurance b... **Consumer Daily**

PLEASE SUPPORT OUR JOURNALISM: GET A DIGITAL SUBSCRIPTION FOR JUST \$9.50 Click Here to Subscribe >> 

Like

Add New Comment

Before commenting, please read our [Community Guidelines](#).

 Type your comment here.

Real-time updating is **paused**. (Resume)

Showing 0 comments

Sort by newest first [dropdown arrow]

Subscribe by email RSS

Trackback URL

More Society

Nation Media

Also From The Nation

The Struggle for Voting Rights Continues (Supreme Court, The Constitution, Politics)

Can Congress Fix What John Roberts Wrecked? (Racism and Discrimination, Supreme Court)

Supreme Court Strikes a Hard Blow to Tribal Sovereignty in Adoption Case (Racism and Discrimination, Supreme Court, Politics)

On Abortion, Republicans Treat Women Like Children (Feminism, Reproductive Rights, Activism)

 **WATCH: Netroots Nation, Live From San Jose**

 **Sal Albanese: Poverty Is New York's Main Issue**

 **John Nichols: Data Mining American Voters**

 **WATCH: Jeremy Scahill Uncovers US Dirty Wars Around the Globe**

Austerity Loses in Massachusetts (States, Gap Between Wealth and Poverty, Senate, Economy)

The Pointlessness of School Suspensions

Did Russia, China Harvest Snowden's Secrets?

The Struggle for Voting Rights Continues (Supreme Court, The Constitution, Politics)



- Home
- Blogs
- Columns
- Current Issue
- Magazine Archive
- Multimedia
- E-Books
- Puzzle
- Community
- Educators
- Students

- Politics
- World
- Books & Arts
- Economy
- Environment
- Activism
- Society

- Advertise
- Subscription Services
- The Nation Builders
- Newsletter
- Nation in the News
- Store
- Spanish Translations

- Help
- About & Contact
- Digital, Mobile and E-Reader
- Community Guidelines
- Work for Us
- Privacy Policy
- Terms of Use

Copyright © 2012 The Nation