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**Public Citizen**  
**Before the Subcommittee on Health**  
**House Committee on Energy and Commerce**  
**Hearing on Health Insurance**  
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What if you picked up the morning paper tomorrow and saw the following headline: **“50 People Died Yesterday Because they Lacked Health Insurance”**? The next day, the same headline---and the next as well. This is the average number of people in the United States who, according to a 2004 report by the Institute of Medicine of the National Academy of Sciences, die each day---more than 18,000 a year---because they lack health insurance. How should we respond to this unacceptable and embarrassing finding?

Not by saying, as President Obama has said that if we were starting now from scratch, we would have a single-payer, but it's too disruptive or, as the health insurance industry recently said, having the public option would be too “devastating”. What could be more disruptive and devastating than being one of 45+ million people who are uninsured, from whose ranks come 18,000 people who die each year because of this dangerous status?

The real question is why should we tolerate the fragmented, highly profitable, administratively wasting private health insurance industry any longer? In this regard, the public is way ahead of either President Obama or the Congress in its distrust of the health insurance industry.

A recent national Harris Poll (October, 2008) asked the following question: “Which of these industries do you think are generally honest and trustworthy – so that you normally believe a statement by a company in that industry?” Only one out of 14 people (7%) thought that the health insurance industry is honest and trustworthy. The only industries in the survey that were even more distrusted than the health insurance industry were HMO's (7%), oil (4%) and tobacco (3%).

The Congress, on the other hand, trusts the health insurance industry and feels compelled to come up with a “solution” that avoids a big fight with them, not only writing them into the legislation but assuring further growth of that industry. The Congress wants to believe that the health insurance and pharmaceutical industries will be good citizens and voluntarily lower their prices to save some of the money that is necessary to fund health insurance. Several weeks ago, the collective forces of the health industry promised that they could voluntarily save two trillion dollars over the next 10 years

But the amount that can be saved over the next ten years by just eliminating the health insurance industry and the \$400 billion of excessive administrative costs it

causes each year is \$4 trillion, in one fell swoop. This would be enough to finance health care for all without the additional revenues the Congress and the Administration is desperately seeking.

As an example of administrative waste, over the last 30 plus years there have been maybe two and a half, three times more doctors and nurses, in proportion with the growth in population. But over the same interval, there are 30 times more health administrators. These people are not doctors. They're not nurses. They're not pharmacists. They're not providing care. Many of them are being paid to deny care. So, they are fighting with the doctors, with the hospitals to see how few bills can be paid. That's how the insurance industry thrives by denying care, paying as little out as it can, getting the healthiest patients.

There is no question that we have a fragmented health insurance industry. And it thrives on being fragmented, avoiding any kind of serious centralized examination or control. The drug companies make much more money with this insurance fragmentation, because there's no price control. The insurance companies make much more money, because they can push away people who aren't going to be profitable, let public programs take care of these patients who are "unprofitable".

What the President and the Congress are really, realistically advocating----since there is absolutely no possibility of having enough money to cover all people in this country as long as the private, for-profit health insurance industry is allowed to exist ---is more incremental reform, not National Health Insurance. It is now 44 years since Medicare and Medicaid came into existence. In the interim, there have been many experiments in this country and abroad to try to provide universal health coverage.

Other countries have uniformly rejected the private for-profit insurance industry and have adopted National Health Insurance. Is everyone else wrong and only the US is right?

A recent study by the international OECD (Organisation for Economic Co-operation and Development)<sup>1</sup> provided health insurance data from its 30 member countries (Europe, Korea, Japan, Mexico, Canada, the U.S. and others including Australia, New Zealand and Iceland). The latest data from those countries showed that 27 of the 30 had health insurance coverage for more than 96% of the population, with only Germany having any non-public coverage (10.3%). The other three were Mexico with 60.4% covered---all with public coverage, Turkey, with 67.2% covered, also with public coverage and the U.S. with 84.9% covered 57.5%with private and 27.4% with public coverage.

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<sup>1</sup> OECD Health Working Papers: Measuring Disparities in Health Status and Access and Use of Health Care in OECD Countries. 3/9/09

In Canada, back in 1970, they were spending the same percentage of their gross national product as we were on health. They also had millions of uninsured people and many of the same insurance companies such as Blue Cross, Blue Shield. They decided to just get rid of the health insurance industry. They had experimented with it in Saskatchewan ten years earlier and it had worked so well, they couldn't wait to do it nationally. So, where there's a will, there's a way. There is no way we are ever going to get to having good health insurance for everyone, as long as there's a health insurance industry, in the way, obstructing care.

Other more recent experiments abroad include Taiwan. In 1995, Taiwan had said, we don't like the fact that 40 percent of our people are uninsured. They passed, essentially, single-payer plan and within a few years 90-95 percent of the people were covered.

In the U.S. we have had experiments as well with seven states having instituted various versions of the public/private combination that this legislation seeks to provide. In none of these states has this worked, once several years had elapsed, despite initial enthusiasm and short-lived decreases in the uninsured.

So as we consider what to do, which experiments do we follow? The ones that were successful, all of which, for all practical purposes eliminated the private for-profit insurance industry, or the failed U.S. state examples, all of which were built on this industry?

If instead of saying that a single payer program is not politically possible, the President and the Congress need to say, "It is not only politically possible, politically feasible, but it's the only practical way national health insurance will ever happen. Anything short of that is essentially throwing tens of billions of dollars at the insurance industry. And if you're afraid of the insurance industry, than you're afraid of doing the right thing: Having everybody in, and nobody out of having health insurance.