

## **BUT DOES ANYONE REALLY WANT TO ELIMINATE PRIVATE INSURANCE COVERAGE?**

**Stephen L. Bakke – August 20, 2009**

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*This is one of several topics which lead into my attempt at identifying reasonable and viable elements of health care reform – “soon to be completed”. My suggestions will recognize the compelling need for reform, accept those aspects which virtually all citizens agree must change, and provide an alternative to the undesirable, and ever less popular, government imposed system.*

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The President and his Obamacare disciples have emphasized that they mean no “ill will” toward the private insurance industry. But, having been presented those declarations and protestations, it’s only fair for us to look below the surface. Here are some of their comments. There is every indication that these were not “cherry-picked” or “tightly edited”. Most of this can be obtained from multiple sources – partisan and non-partisan.

So ..... is there evidence that there are any legislators, politicians, and other influential leaders who actually set out to damage and ultimately replace private insurers? Consider:

- House Speaker Nancy Pelosi recently stated: "It's almost immoral what (insurance companies) are doing. Of course they've been immoral all along in how they have treated the people they insure. They are the villains. They have been part of the problem in a major way. They are doing everything in their power to stop a public option from happening."
- Next is Vermont Senator Bernie Sanders: “(Private insurance companies) should be afraid ... they have a right to be exposed, a right to be afraid that they will not be able to compete against a strong Medicare type public plan ...”
- How about Rep. Barney Frank (D-MA): "I think if we get a good public option, it could lead to single payer and that's the best way to reach single payer ..... I think the best way we're gonna' get single payer, the only way, is to have a public option and demonstrate its strength and its power."
- Representative Jan Schakowsky, (D-Chicago, north side and suburbs), chief deputy house whip. She cites an insurance spokesman saying: “A public option will put the private insurance industry out of business and lead to single payer ..... My single-payer friends, he was right ..... This is not a principled fight. This is a fight about strategy for getting there, and I believe we will”.
- Professor Jacob Hacker, Yale’s “Stanley B. Resor” Professor of Political Science, said the following: With a government option plan, “You can at least make the claim that there’s a competitive system between the public and the private sector”

..... the government option “would eliminate the small group insurance ..... Someone told me this was a Trojan horse for single-payer. Well, it’s not a Trojan horse, right? It’s just right there. I’m telling you. We’re going to get there, over time, slowly, but we’ll move away from reliance on employer-based health insurance as we should, but we’ll do it in a way that we’re not going to frighten people into thinking they’re going to lose their private insurance. We’re going to give them a choice of public and private insurance when they’re in the pool, and we’re going to let them keep their private employer-based insurance if their employer continues to provide it”. But there’s the rub – there is a hope and expectation that private coverage will be dumped for the public/co-op option.

- President Obama never made his ultimate goal a secret, in spite of his current “spin”. Most have seen or heard his quote, while running for the U.S. Senate: “I happen to be a proponent of a single-payer health care program. We may not get there immediately”. While running for president he added: “But I don’t think we’re going to be able to eliminate employer coverage immediately.” At this point his goal seems to remain the same. He continues: “There’s going to be potentially some transition process – I can envision a decade out, or 15 years out, or 20 years out, where we’ve got a much more portable system”. He has more recently stated that employees can keep their current if they choose. But he doesn’t point out that the majority of coverage decisions are made by employers, not employees. He is disingenuous in that he doesn’t point out that most employers will have cost incentives to put employees into the public/co-op option. The employees really don’t have the choice that is being sold to them.

‘Nuff said.

That was from the “FYI” and “For What It’s Worth” departments. I believe this helps put the entire private insurance analysis in the proper context. Given the very limited amount of detailed information we have been given so far, in effect we have been asked to just “fill in the blanks”. Our leaders (e.g. HHS Secretary Kathleen Sebelius) have asked us not to focus on the details. And our legislators were forced, through time constraints, not to focus on the details. We shouldn’t ignore the expressed motives and intentions as we attempt to discuss the possible unspoken motives and intentions of our policy makers.

Now it’s on to looking at some of the information behind the public/co-op option and the possible impact of Obamacare on private insurance.

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### **Sources of Information**

The major sources of information used in developing my health care commentaries will be included in my future report on health care reform recommendations. A preliminary, but not complete, list of sources can be found in my April 2009 report on the status of our health care system and reform.