'Sea change' or 'status quo?'
The midterms & U.S. health policy

Dispatcher: 911, what's your emergency?

Caller: America's healthcare system is broken and people are dying! (ambulance siren)

Welcome to **Code WACK!**, where we shine a light on America's callous healthcare system, how it hurts us and what we can do about it. I'm your host, **Brenda Gazzar.**

This time on **Code WACK!.** What do the results of the midterm elections mean for healthcare reform at the national level? Could they have an effect on the increasing corporatization of health care? To find out, we asked **Michael Lighty,** president of **Healthy California Now,** a statewide coalition dedicated to winning single payer Medicare for All in the Golden State. He was also the healthcare constituency director for Bernie Sanders 2020. This is the first of two pods about the election results with Mr. Lighty.

(5-second music stinger)

Welcome back to Code WACK! Michael.

Lighty: Great to be back, Brenda. Thank you.

Q; So we have a lot to talk about today. We've just gone through an incredibly tight midterm election with potentially huge consequences for health care. Let's

break down what it means for our chances of fixing our broken healthcare system, starting with reproductive rights. It's been suggested this is the issue that drove many democrats to the polls, kept Democrats in control of the U.S. Senate and saved Biden from a shellacking. What are your thoughts?

Lighty: Well, there's no question that, you know, when 60% to 70% of the electorate supports an issue like access to abortion, it's going to have an electoral impact. And that's what we saw. Obviously, that level of support varies by state, but where you can tap into it, and even in places that you wouldn't necessarily expect to tap into it like in Kentucky, where there was an effort to prohibit any access to abortion services, that effort failed and so I think it is obviously a motivational force. The polling suggested it was more motivational for women than men, which we could, you know, dissect, I think, not in men's favor perhaps, but I do think that it is motivational.

Q: Thank you. Equal access to abortion is severely threatened today depending in large part on one's wealth and zip code. Looking at actual Medicare for All legislation that's been introduced, would access to reproductive care, including abortion, be guaranteed?

Lighty: Yes. That's to me one of the strengths of the Medicare for All reform from an abortion rights perspective is that it's another reproductive health service...There may be a fight about it, but it really would be treated like any other healthcare service and would guarantee that women could get that service in those hospitals that are funded by Medicare. If you're part of the national system, then that's a service that is provided in that system. I've felt like that's a real strong selling point so that it wouldn't be based upon your employer's whim, your insurance company's whim, or your employer's religion or insurance company's religion. It wouldn't depend, as you say, on your zip code or your wealth, it would in fact be a right guaranteed like every other health service, and that's really the way it should be treated.

Q: So is there a chance that legislators could carve out abortion services or horse trade them away in these Medicare for All proposals – like what happened with the Affordable Care Act?

Lighty: Well, it's possible, but don't you think the environment's changed? Seems to me it has. I mean, the Democrats are prepared to overturn the Hyde Amendment... which prohibits federal funding of abortion and primarily affects Medicaid so that Medicaid, unless the states pay for it, does not pay for abortions. If you overturn the Hyde Amendment and put it in part of a Medicare for All system, that one-two step

guarantees the right to abortion and there's certainly will among the Democrats to do that.

Q: Got it. Thank you. Another major concern is the commitment of the U.S. Health and Human Services to fully privatize Medicare by having 100% of traditional Medicare beneficiaries in a program called "ACO Reach" or Accountable Care Organization Realizing Equity, Access and Community Health. Quite a mouthful, right? What's this all about?

Lighty: What they are essentially doing is private equity or other private companies are buying medical practices, doctors' offices, medical groups, and then those medical groups share in the risk, which means that if they spend a lot of money on individual patient care, then their own profits or earnings go down. If they spend less money on patient care, then they split the savings between the entity that owns the ACO, the medical group, and the providers in that group.

Now, it's true in ACO REACH, you can go to any provider, but you have huge incentives to stay within that medical group network and they direct all of their kind of practice and protocols and referrals to within their network because that's the way that the entity maximizes revenue and profit and then therefore the individual providers share in that profit.

Q: Uh-huh. So is the patient then kind of limited to a very specific network?

Lighty: They're essentially creating what's called a medical home so that all your care goes through that doctor who is in the ACO entity and that doctor has every incentive to keep you in that network and the patient doesn't necessarily have the information that would enable them to make a choice outside of that network. So yes, technically they have a choice. Realistically, the ACO entity is going to be able to keep people within their network.

And the patient, you know, doesn't really know necessarily how those incentives are operating and the patient herself doesn't necessarily get any benefit, right? So the doctor will decide not to order certain tests or prescribe certain drugs or, you know, do certain procedures or not, and they may benefit financially from those choices. The patient has really no way of knowing that and in fact, the patient has no choice. You were just notified that, 'oh my doctor is now part of a group that's an ACO entity,' right? You're not choosing to get into the ACO, you're being just put into it because that's where your doctor goes. So it's a very provider-driven approach that is designed to incentivize the provider to make certain changes in the name of quality and efficiency and supposedly equity.

Q: Yes, it's even in the REACH name – Realizing EQUITY.

Lighty: Right. And that's a lot of rhetoric, <laugh>. It's not obvious how they achieve that in the model because similar models that have been done through so-called Medicare innovation haven't saved money, haven't improved quality, and certainly don't have a track record of improving equity.

Q: Got it. Do you think that the midterms have any impact at all on the corporatization of health care, or should we expect more of the same?

(06:46):

Lighty: In some ways it's a status quo election result. I mean, there are significant changes in some of the states. I frankly think that there is going to be some pushback at the state level on some of the corporatization of health care that we've seen, particularly in Medicaid. I think there's more interest in de-privatizing Medicaid and getting the for-profit insurance companies out of Medicaid. Now that you've got a trifecta in Minnesota, for example, where they've done a lot of work exposing the profit-making of insurance companies within their Medicaid program, there's a shot there, right? And I think you'll see that in other states as well. So in that sense perhaps, there's a potential for progress. I think at the federal level, ACO reach, as we discussed, is a target, right?

(07:45):

And Medicare Advantage is obviously of great concern to activists because really they're trying to privatize Medicare by 2030 and have everyone in essentially a for profit insurance entity or a for profit ACO entity – there's going to be pushback. We've elected a few more progressives about five or six more progressives in the House. Obviously John Fetterman would have to be considered a progressive in Pennsylvania. He ran against the centrist Democrat in the primary and so maybe there's a little bit of incremental change there. The progressives (are) feeling a little more empowered, even though they're in the minority in the House, most likely. So I don't think though that we're going to see any kind of fundamental sea change.

And let's keep in mind too, Brenda, that corporate healthcare funded challenges to progressive Democrats precisely to maintain their profits and hold on the Democratic Party. And when we, whenever anyone hears centrist Democrat, moderate Democrat, what we need to understand is that's a corporate Democrat usually in the pocket of the healthcare industry.

Q: Thank you for explaining that. This year, President (Joe) Biden pushed through the Inflation Reduction Act, which extends ACA subsidies and permits limited drug

price negotiations. Some would say these reforms are helpful, but frustratingly limited. What do you think?

Lighty: Well, we have a problem because the more taxpayer money gets thrown at the private insurance entities, companies through the Affordable Care Act, arguably the greater their strength is – their political power, their connections obviously to Democrats in particular and we know increasingly these insurance companies derive their revenue from public programs. So you got to say, well, why are taxpayers subsidizing private insurance companies when you could directly pay providers through a single-payer program like Medicare, traditional Medicare and save what this Congressional Budget Office says is $650 billion a year. So it's cheaper, more efficient, eliminates profit, guarantees people healthcare services rather than restricted networks of providers and yet we still subsidize it. So it's obviously the wrong path and it's fragmented and it's inefficient and there's a huge number — 240 million claims denied a year through insurance entities — and let's keep in mind the Affordable Care Act is still focused on individual insurance plans and that's a fraction of the overall market was 11 (or) 12 million Americans in there.

It's a fraction of who's employer plans to over 160 million and even in Medicaid Medicare, which is I think over 120 million. So you are like, why all this money being thrown at the private entities for a relatively small portion of the market when you could expand Medicaid and cover them much more efficiently, get the private insurers out of that program?

The prescription drug reform is, yeah, it's significant politically cuz it's the first time Pharma lost anything ever <laugh> so yeah, okay, that's great. But in terms of its actual impact, we couldn't even really lower the cost of insulin for people who are not on Medicare and again, that's the limit of trying to try to do reform through private entities. You can't limit private insurance according to the parliamentary and existing legal structure, but you can through Medicare for All so I think that the reform as a substance, I mean guess it's about 20 drugs by 2028 – Ahhhhh, okay – you know, and it's one, it's basically designed to save Medicare money, which is good, but if we're going to privatize Medicare and save Medicare money and t that money's just gonna go to the private insurers, what's the point?

(11:55):

Q: Do you know if the Biden administration is working on any other healthcare reforms?

(12:00):

Lighty: Well, there is, there is talk of, you know, we know the Republicans are interested in the origins of COVID, we know that there is talk of Republicans going after the pharmacy benefit managers who are the middlemen between patients and insurance companies. So you kind of think that maybe there's a way for the Biden administration to get on that. Unfortunately, in some respects there's an interest in expanding telehealth, which sounds like a good idea cuz it improves people's ability to get, you know, in front of a doctor, but it doesn't actually improve the quality of patient care and is very risky for patients but you're going to see maybe an emphasis on telehealth. What we really need are clinics and hospitals in rural areas, underserved urban areas, and instead we get a Zoom connection if we have decent internet, which we may not.

There's talk of ending the COVID emergency, which is going to have drastic impacts. We we're estimating as many as 40 million people with Long COVID but there is a renewed interest perhaps in going further on prescription drug prices. So it will be an interesting mix, the opportunity for actually affirmative change. If the House is Republican, the Senate Democrat, and the Biden administration's going to depend on the Biden administration's aggressiveness through executive action, I think that is always a question.

Q: True. Is there anything else you want us to know about how the midterms could affect healthcare reform at the national level?

Lighty: I think the federal level is tough to gauge. I think we can say that the really big threats to Medicare and Social Security are off the table because Republicans don't have both houses so their negotiating positions to leverage the Biden administration is weakened, but they were definitely going to go after Medicare, maybe even raising the eligibility age. Can you imagine being subject to private insurance until your age 70 instead of 65? That was being discussed by the Republicans.

So, I think there is going to be a need politically to address healthcare inflation. Now, what that usually means when you're not doing single payer is restricting access to the services. And so trying to make changes on the delivery side or schemes like ACO REACH or privatized things like Medicare Advantage.

We know in California, Code WACK! has covered it, that Medicare for All single payer can save people, individuals, working families, seniors, even $5,000 to $9,000 a year.

We know that the state of California can save $150 billion – $158 billion a year by 2030. Tell me what is a better program to address healthcare inflation than single-payer improved Medicare for All. There isn't one, but instead of doing that, they're going to come up with all these other, you know, schemes, which frankly won't work in a private insurance-based system.

(5-second music stinger)

Thank you, Michael Lighty, We're looking forward to next week's interview when you discuss the state of healthcare reform in the states!

Do you have a personal story you'd like to share about our 'wack' healthcare system? Contact us through our website at heal-ca.org.

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