
## Can single-payer advocates overcome the 'narcissism of small differences'?

**“If you have to spend $18 grand before you can even get any access to any of that insurance, that's not what I'd call preventative medicine. It is an encouragement for people to defer treatment as long as they can until it just becomes to the point where they can't ignore it anymore.”** - **Peter Shapiro**

*911. What's your emergency?*

*America's healthcare system is broken and people are dying.*

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.**

*(music)*

This time on **Code WACK!** So, with all its apparent advantages, why *hasn't* California passed single payer yet? Is organized labor fully in the Medicare-for-All game? Do managed care providers - like Kaiser Permanente - have outsized influence on healthcare reform in the state? To find out, we spoke to **Peter Shapiro**, a retired letter carrier and author of *Song of the Stubborn One Thousand: the Watsonville Canning Strike* (Haymarket Books 2016). He represented his union at the founding conference of the Labor Campaign for Single Payer in 2009 and has been involved with the issue ever since. He represents the Alameda Labor Council on the board of the single-payer advocacy coalition Healthy California Now. This is the second episode in a two-part series with Peter Shapiro.

***Welcome back to Code WACK! Peter!***

**Shapiro:** Glad to be here. Thanks for having me.

***Q: So despite California's many advantages, the state still has not managed to pass single payer legislation after multiple tries over several decades.***

**Shapiro**: Yeah.

***Q: Why do you think that is?***

**Shapiro:** Well, part of it is just because it's tough everywhere to pass single payer. You have lobbyists to contend with in the state capitol who will just fight tooth and nail, don't have a lot of money at their disposal. And some people say, 'well, then let's just go to why politicians are corrupt. Let's have a ballot initiative and let the people speak' which by the way, is going to have to happen anyway, just because of the way the California constitution is written. Any kind of new taxes require a ballot measure to pass them. But ballot initiatives are very tough. This happened in Oregon, too, when I was living there. There was a ballot initiative that had, I think a poll said it was leading by 72%. And when the vote actually came, it had been whittled down to 26% because there was so much crap put on the airwaves and winding up in people's mailboxes, you know, and it just totally muddied things up.

And California in particular, you know, ever since the progressive era, it's relied a lot on ballot initiatives, you know, and the problem is the whole system, the initiative system has been pretty much captured by big money. So that's the problem with the initiative system. And it's also, once you draft a ballot initiative, you can't change it. You can't fine tune it. It's gotta go in exactly the way it is. And the whole point of the legislative process, especially if you're dealing with these complicated budgetary issues, is they can kind of take a bigger, bigger picture of it, you know, and weigh it against the other needs of people in the state. That's part of it.

***Q: And what else?***

**Shapiro:** I think California has kind of a unique problem that Kaiser is such a big deal here, and Kaiser has a very kind of ambiguous legacy. I think when it first started out during the Great Depression, it was basically for workers, initially the ones who were helping build what became Hoover Dam and then later for people who worked in the shipyards in Seattle and Richmond in particular, who were organized by the ILWU or the Steel Workers Union, and they couldn't afford to see the doctor, and they were doing dangerous work. And, you know, it was really this kind of brilliant idea that, well, we'll give the employers a tax break to provide them with health insurance, group health insurance, and it'll be cheaper.

It'll make it possible for them, you know, better if they don't get sick at all, if they see the doctor regularly, they won't have to wait till they have an emergency to do it. That was the whole philosophy behind Kaiser, and it was a good philosophy. And incidentally, some pretty left wing people were involved in drafting it and making it work during World War II. But what happened is that in the 50s, health insurance became a big business, and it was pretty much conquered by Wall Street. And Kaiser became like any other big insurance company that was, you know, competing for market shares and trying to corner the market on the most profitable sectors of the market. And as health care became more expensive and more bureaucratic and more characterized by administrative waste, it got more expensive and they started looking for ways to cut costs and they do that by rationing care.

So, something that started out as a very good, very sensible reform turned into something very different. And, you know, Kaiser used to have a great reputation because it emphasized preventative medicine. You know, why wait until you're really sick? Well, now Kaiser is hawking what they call bronze plans on the insurance market. You know, this is something that Obamacare created, you know, different tiers, you know, different value metal. The bronze plans have deductibles of like $18,000 a year. If you have to spend 18 grand before you can even get any access to any of that insurance. that's not what I'd call preventative medicine. It is an encouragement for people to defer treatment as long as they can until it just becomes to the point where they can't ignore it anymore. But that is a total violation of what Kaiser was supposed to be about when it was first created.

Yeah. But, you know, it's powerful. It has a huge number of people enrolled in it. And I think any kind of single-payer bill that's successful is going to have to address the concerns that people not only have collective bargaining agreements with it, but also people who are enrolled. They want to know that they're not gonna lose what they have.

***Q: Yes, people can be very attached to Kaiser. . . .***

**Shapiro:** And HMOs pose a real problem because on the one hand, you know, the idea of managing care, well, managed care could refer to how you manage your treatment. You know, do your doctors talk to each other? Who do you see for this or that, you know, when you get your blood work done? That kind of stuff. That's care management. It's a job that most people would prefer not to do for themselves and don't feel qualified to do for themselves.

On the other hand, the way the federal government sees managed care and the way a lot of policy wonks see managed care, it's a way of managing costs. And that takes you in exactly the opposite direction. You've got the people who are managing care, who do not have your interests at heart. They're interested in either lowering the budget deficit or in increasing their profits. And that's a struggle we're gonna have to resolve, I think, especially in a state like California, where an HMO plays such a dominant role, you know, in how so many people in the state get their care.

***Q:Yeah. I hope that the concerns can be addressed regarding Kaiser, because that seems like in addition to the big lobbying industry that's against single payer that seems like one hurdle that has probably in the past tripped us up a bit and could continue to trip us up in the future. Today there seems to be two different strategies in California. We talked a little bit about (California) Senate Bill 770 that was signed by the governor. It focuses on negotiating waivers to get as much federal funding as possible for a California single-payer system. And then there's the CalCare bill (Assembly Bill) 2200, which hasn't passed yet, which is a California based single-payer policy bill. Do you think these strategies are opposed to each other?***

**Shapiro:** Well, no. I mean, I don't think they're in contradiction with each other. Not everybody agrees with me on that one. I mean, the nurses union felt that (SB) 770 was counterproductive and they opposed it. And it was kind of painful to watch the hearing because (California Nurse Association's) policy expert Carmen Comsti, is someone I have an enormous amount of respect for. But she was there arguing with some insurance industry lobbyist against the bill, and it was not the kind of role I want to see her in. CNA feels that like you have to pass a policy bill first, and then you worry about the funding, and then you worry about getting the necessary federal waivers to make it possible. My feeling is that it's gonna be very, very tough, especially now when we're dealing with a deficit to get the state legislature to agree to a policy bill if they don't have some idea where the money's gonna come from.

So (SB) 770 basically authorizes the governor to negotiate with the Center for Medicare and Medicaid Services in Washington DC and to try to find out just like what they will approve, because they do have to approve some waivers if we're going to get our hands on that federal money. And I was, you know, talking about that earlier. So they wanted to start that off right now and not defer it until a policy bill passes. To me, it's ridiculous to be arguing over something like that or to have the movement split over an issue like that. It's not even a strategic question, it's a tactical question. And you don't raise questions like that to the level of principle, to the point where people aren't even on speaking terms because of it. You know, the, the other issue though, I think is that (SB) 770 creates a process where stakeholders basically weigh in, supposed to offer their own ideas about what should be in the state plan.

And CNA is worried, I think, not without reason, that that could lead to a real watering down of the bill. It just depends on who the stakeholders are. Healthy California Now, which is the state (single-payer) coalition – I'm on their board – has been trying to get people who really matter, and not just insurance industry hacks or whatever, or hospital association hacks, but the people who really count who we need to have on board and get them to say what kind of bill do you want. You know, what are the particular issues you have to deal with? What would you like to see in the system? And the problem is that there hasn't been a whole lot of communication between a lot of those folks. Participating in discussions of this stuff's like being in a graduate seminar.

***Q: So what's an example of the issues that are dividing people?***

**Shapiro:** One of the issues that's dividing people is capitation. Now, I'd be willing to bet that a lot of the people listening to this broadcast have no clue what capitation is. Basically, it means that you reimburse providers based on how many patients they treat. Now, obviously, that's gonna be a factor in how they should be compensated. The concern that people have is that if you pay people based on how many patients they treat, they're going to have a financial incentive to treat the people who are going to be cheaper to treat, and the people who are gonna be costing more money are gonna get treated badly. The other objection is that then CNA will say this is that you still have people who get their health care through Kaiser, then there's gonna be some kind of administrative entity sucking up some of that money, and it won't be as efficient as it should be, which may be true.

Frankly, I don't really care because I think it's silly to assume that any kind of system that we set up in one state is gonna be able to eliminate all of the waste in the system. Again, this is not something you should draw a line in the sand over. So I take CNAs objection seriously. I just don't think they're worth splitting the movement over. And I think it's really important to get people on board who are not on board now, but who should be on board? And people have to be talking to each other about this stuff. And frankly, I think (SB) 770 was not a single-payer bill. It was a bill which was supposed to make it easier to win single payer, both by dealing with the troubles, you know, the waiver issue at the federal level, and also bringing more people into the tent, you know, in terms of who's fighting for it.

And I think we need that. That's necessary. And I think it will help. If it doesn't help pass AB 2200, it'll certainly help pass any single-payer bill if we can make it work. I think the jury's still out on whether the governor's gonna follow through on what the bill requires of him. And I think the jury is really still out on how much give we're gonna get from the federal government, because I trust those guys even less at this. So much of it depends on how much political pressure we're able to bring to bear.

***Q: Yeah, great. So acknowledging the difficulty of passing any kind of reform with so many deep pocketed opponents, what advice would you give to advocates for universal single-payer health care?***

**Shapiro:** Stick together! <Laugh>, you know, that old song by Talking Union. 'Don't let the narcissism of small differences defeat you.' You know, recognize that whatever differences we have, however, our short term interests may diverge, recognize that at the end of the day, we all want the same thing, and we're not gonna get it unless we find a way to realize which differences matter and which differences don't. And until we stop thinking that it's gotta be perfect, because it ain't gonna be perfect, no single-payer bill that we pass in the state of California is gonna be as good as a national bill would be, and even though a national single-payer bill would not be as good as socialized medicine could be, which is, I think what what we'd really need in this country is just take medicine out of the marketplace altogether.

If health care is a human right, then it's the responsibility of the government to make sure that everybody gets it. Not by funneling money through insurance companies or, you know, 57 different programs that attempt to put fingers in a leaky dike,  but by treating everybody, like if you live in the United States, you're entitled to health care and it's the responsibility of the government to provide it. It's that simple.

***Q: Right, right. In your recent article on Convergence, you mentioned that unions would benefit from single payer. Yet single payer seems to divide rather than unite labor. Why do so many unions oppose it?***

**Shapiro:** I don't know that unions oppose it necessarily. If you talk privately to most union officials, they say, 'well, of course we'd be better off with a single-payer system, but we're living in the real world here.' Unions are kind of schizophrenic organizations, you know, they're vital, they're necessary. We need them, we have to have them. But on the one hand, they're supposed to represent the interests of all working people. And, you know, an injury to one is an injury to all. And everybody believes that in their heart. But legally, and even just in practical terms, their first responsibility is to their own members, and sometimes the interests of different unions, the short term interests come into conflict with each other. You know, unions are always fighting, fighting jurisdictional battles with each other and stuff like that. Now, I'm a labor council delegate, and the whole mission of the Labor Council is to try to find some way to herd all those cats and get them working

together and to avoid issues that are divisive, you know, which means that I have to, you know, when I get up there in front of the Labor Council, make a pitch for a single payer, I have to be as diplomatic as I know how to be and try to respect everybody's concerns and everybody's interests. You know, and this is why that Convergence article was so hard to write, because I have very strong feelings about, there's been some irresponsible behavior in this stuff, but I don't think playing the blame game helps at all.

I had a very interesting experience up in Oregon. There was one union official who was a strong single-payer supporter. He was part of the Jobs of Justice Healthcare Committee, which I chaired up there. And, you know, I remember having a conversation with him. He says, look, can we use your union paper to kind of proselytize your members and stuff like that? And he said, 'look, he says, the health plan we give our members, I'm embarrassed by it. It's a disgrace. It's all we can manage. It's all we can afford. It's all we have enough strength to bargain for, but there's no way in hell I am going to say that in my union paper and tell my members that. They count on me to do the best I can for them in terms of health benefits.

And if I don't do it, somebody else is gonna come along and say, 'well, I can do a better job,' and I'll be voted out of office. People talk about sellouts of union bureaucrats. They don't realize that these guys, they have to answer to their members, and their members don't always have that sophisticated understanding of what's involved in negotiating health benefits. It is incredibly complicated and incredibly difficult, and they have to weigh that. Of course, people who think that they have decent health coverage, and most people do think they have decent health coverage until they suddenly discover they have some kind of health condition that their plan won't cover. Or their kid gets really sick or something bad happens, and all of a sudden they discover how poor their system really is. But, you know, a lot of times you'll hear people say, 'oh, you know,  I like my coverage.

I like my plan. You know, if it ain't broke, don't fix it. Well, the best answer to that came from a fellow named Jeff Crosby that I was on a panel with some years back at a labor campaign for single payer conference. He was the chair of the Central Labor Council, I think in central Massachusetts. He says, 'anytime somebody says, I like my health coverage, to me, I say, what about your kids, fool?' It's true. I mean,

when Obamacare came along, you could keep your kids on your policy at least till they're 26. But sooner or later you run out of time. And fewer and fewer jobs are available right now that offer decent coverage. You know, it's like, honestly, it's like the more expensive the system gets, the tougher it becomes for everybody to keep those benefits. One thing I would love to see happen is reunions start sharing information with each other about the kind of struggles they have to go through to maintain their coverage.

You know, I tried to get a little “speak bitterness group” going in the Alameda Labor account. Let's get together and talk about what we have to go through to keep our coverage, what kind of problems we're facing and stuff like that. It didn't take, because people don't like to share that information publicly, but these are the kind of conversations that have to happen. Because if you don't see yourself as part of a larger problem, part of a larger struggle, you basically try your best to protect your own turf as best you can. And I think that's what accounts for a lot of the reluctance of the labor movement to thoroughly get behind it. But my feeling is that the more conditions degenerate, the more they deteriorate, the worse the system gets, sooner or later, people have to say, ‘Hey, we just can't keep doing this. We cannot keep bargaining over this stuff.’

And, you know, public employee unions right now probably have better health coverage because the taxpayers pick up the tab. Well, last year in the middle of the teacher strike <laugh> in Oakland, Kaiser suddenly announced that it was raising the premiums for the Oakland teachers by 25%. And, you know, the union was able to, to kind of bargain it back down to 10%, but it’s still too much. Now that's not just money that the members are gonna have to help pay for. That's money out of the classroom. They're talking about shutting down schools in Oakland and laying off key people because there isn't enough money in the public treasury to pay for it. And here's Kaiser sucking up all his money because they can do it because they're dealing with public employees. And I think so many, so many of these insurance companies sort of regard the public sector as kind of a cash cow.

And that's exactly what it is for them. This is the whole thing. Same thing is going on with Medicare Advantage. You have private companies that are being reimbursed by Medicare. So I think Kaiser's under investigation right now for making all sorts of

false claims. You know, they're charging Medicare for treatments that either weren't necessary or never even happened. And the Kaiser doctors, they sit down at the computer after they see a patient, and they're supposed to key in these codes that determines how much they're gonna, the Kaiser's gonna be compensated and they're under tremendous pressure to upcode, to turn a hangnail into an amputated hand or something, you know, that kind of thing. And it is widespread, and it would be incredibly difficult and costly to really police it and keep it from happening. But this is what happens when you turn Medicare over to private entities. It does not save money. It wastes it. You know, those are our tax dollars at work, you know.

***Thank you, Peter Shapiro.***

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