



Privatization 'on steroids?' What health care could look like under Trump

"All aspects of reproductive health would be jeopardized under a Trump administration." - Michael Lighty

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!** What could our broken healthcare system look like under a Trump presidency? What about a Harris one? What's likely to happen with the privatization of Medicare, for example? And what would a new president mean for single payer efforts in states like California and Oregon? To find out, we spoke to **Michael Lighty**, president of the single payer coalition Healthy California Now and former healthcare constituency director for Bernie 2020.

Welcome back to Code WACK! Michael.

Lighty: Thank you Brenda. Great to be here.

Q: Thank you so much. So we're gonna talk about the future today. What are your thoughts on the upcoming U.S. presidential election? What can people expect on the healthcare front if Donald Trump is reelected president and what can they expect if Kamala Harris is elected?

Lighty: Well, it's <laugh> consulting, my crystal ball, I would say there's a fundamental difference <laugh> between those two prospects. I mean, we've spoken, you know, about SB 770 and the effort in California, Oregon, maybe elsewhere, to do a single-payer system at the state level. That's very unlikely to happen under a Trump administration. The kinds of flexibilities and, you know, system changes that a Trump administration would want tend toward the punitive, right? Like work requirements for Medicaid or [they] tend toward junk insurance. Like, 'oh, we'll give you a low cost insurance plan that has \$10 a month premiums. Oh, it doesn't really cover much and there aren't many providers in it, and you have a huge copay or [a] big deductible before you get coverage.' You know, all those things, right, that we associate with bad insurance. Those are the kind, I mean, they talk about you know, [The Heritage Foundation's] Project 2025 is notorious, right, as a kind of blueprint for what might happen.

And they talk about competition, and that usually means more market-based health care, which has failed and hasn't met people's needs because if you let people just organize health care based upon profit, guess what? Profit wins and patient care suffers. So you can kind of in general terms assume that that approach would be even worse than the present system, right? Because we, of course, have made progress. They would try to repeal the Affordable Care Act, presumably, I don't think they could, because people are afraid of losing what they have given how bad the system is. But you have to figure that's on the agenda. You have to figure abortion rights and abortion access would be severely restricted one way or the other. We don't know exactly how, but we know it would happen. Contraception could be on the chopping block as well. IVF – in vitro fertilization. All aspects of reproductive health would be jeopardized under a Trump administration. We kind of have to start with that really.

And then can't be optimistic about Medicare. I wouldn't say that the Democrats have a good record on preventing privatization of Medicare, but presumably the

Trump administration that would go on steroids, it could very well be that, especially if they control Congress, you could have a fully privatized Medicare within four years. It's certainly within the realm of possibility. We're fighting that fight to prevent it now you know, under a Democratic administration. So you can imagine how that could accelerate under a Republican regime.

Q: And why is that so dangerous to have privatization in Medicare?

Lighty: Well, the public program of Medicare means you can go to any doctor and there aren't preauthorizations. There's no limited network. There are high out-of-pocket costs in some cases, which we need to solve and there are some gaps in coverage, which are, you know, covered by private plans. But by and large, the promise of traditional Medicare is a guarantee that you'll get the health care you need regardless of ability to pay and, over time, that has eroded to some extent, but that's still the heart of the program that financial incentives are not denying you care. And so under a privatized system like Medicare Advantage, you have a limited set of providers. You have self-selection. So the plans compete to get the healthiest patients, and you end up in a situation where you can still have very high out-of-pocket costs. The coverage, like for dental, still isn't great.

And yet these private companies are making billions. You've got a situation like in Medicare Advantage where the insurance company is diagnosing patients after the doctor's primary diagnosis. So they'll send a visiting nurse to your house and say, 'oh, well, you kind of look a little imbalanced there. It looks like kind of a diabetic problem.' 'Well, I'm not diabetic.' 'Well, <laugh> we say you are.' And they have literally, UnitedHealth has gotten \$8 billion in revenue, which is almost all net income because they don't provide benefits. They just do this diagnosis. They do what's called upcoding so that they make the patient appear more severely ill than they actually are more severely ill than their doctor said they are. And then, so the insurance company is diagnosing patients and then getting reimbursed based upon the more severe diagnosis. I mean, they gain the system in many ways. That's upcoding, they call lemon dropping.

Right. That's dropping the sickest patients.

Lighty: So a privatized Medicare is basically people over 65 are subject to arguably even worse abuses than those of us under 65 who have to deal with the commercial insurers. So there's a lot at stake there.

Q: So that would increase under a Trump administration. You think all of the privatization would increase?

Lighty: Yeah, I mean that's, they believe in privatization, they believe in the market is better, and the market is better for those who make money. Right? It is not better for patients. And that's pretty well established. So all the worst aspects of Medicare privatization would likely accelerate under a Trump administration.

Q: If that were to happen. Is there any way to roll that back once it happens, or would it be really hard to do?

Lighty: Well, it's hard. It's hard now, right, 'cause You've got a majority of Medicare beneficiaries in private plans, and a lot of people like them because they're not particularly ill and they don't get sick or until they get sick, they like them and they provide broad benefits. So you have to kind of equal, at the very least, you have to equalize Medicare, traditional Medicare, so that it covers those things that these private plans cover, that you close the out-of-pocket expenses, right? So that they don't have huge expenses for hospitalization or other things. And you have to, of course, make prescription drugs much more broadly subject to price negotiations and all those things I think are possible under a Harris administration. And let's also not forget that given the tenor of the Supreme Court and the inclination of Republicans, you could have a very discriminatory healthcare system where if you present as L-G-B-T-Q, you're basically, providers can say, no, I'm not gonna treat you.

And the notion of culturally competent care would be considered, you know, the devil, DEI, right? I mean, 'oh my God, diversity, equity and inclusion comes to health care.' Republicans don't want that. They basically want their Christian providers to be, make a moral judgment on what health care we deserve. That's somewhat underplayed, I think, but it's very real for people who are subject to that kind of discrimination. So you can imagine a very discriminatory, highly privatized, market driven hellscape in health care [under Trump.]

Q: So contrast that with a Harris administration. Would anything be different today?

I think it's easy to imagine how it could be better. The Affordable Care Act increased subsidies, which expire in 2025, would presumably be extended. Some of this depends upon a Democratic Congress, but the President also has the ability to negotiate certain things. And so you could imagine some of these which are broadly popular, could be negotiated. You could imagine a much more robust regime of price negotiations for prescription drugs.

You could imagine an ability to level the playing field for Medicare. You know, President Biden had committed to that before he dropped out of the race. I'm certain that president Harris would be inclined to do that as well. And also, what you're already seeing in the Harris campaign is a commitment to the caring economy. So those things like home health and child care and support services would be very much at the top of the policy agenda in health care, a robust effort to protect reproductive rights and access to reproductive health care. You could absolutely see as top of the agenda, an anti-discrimination agenda in health care, real effort around equity and addressing social determinants of health. All of that would be on the agenda and would be implemented based upon whether there's Democratic control of Congress or whether they have to achieve it through executive action.

But you can imagine a very robust program in what's called the care economy. Mental health parity, I think is something that would be off the table under Trump, and very much, you know, on the table under a Harris administration because really that mental health gap, it's true in Medicare, we didn't mention it, but it's, it's true in Medicare and it's true at all levels of the healthcare system that people simply don't get the mental health care that they need. They don't get it. And so you can, again, imagine as part of a care agenda that that would be on President Harris' list. And so I think also though for California, it's much more likely that a President Harris would approve a single-payer type system for California. Certainly they might like the phrase unified finance even better, because no, she's not gonna do Medicare for All at the national level.

I guess we know that. Her positions evolved since 2019, but let the Californians do it. Are you afraid of an experiment? Oh, well, let's see if it works. And so I would imagine that we would be in a very strong position to get approval for what we're trying to do in California, obviously subject to voter approval as well. But that to me is very exciting. And one of the big reasons why Californians, in terms of health care and single-payer supporters, even though we know she's not gonna lead on it federally, could very well open the door for states to do it.

Q: Right. Right. And yeah, I don't even know why Republicans, because they seem to be, correct me if I'm wrong, but they seem to be all about state rights versus federal? Like, so wouldn't they support something like let each state decide on its own kind of thing, what they want to do?

Lighty: If they were ideologically consistent? Yes, and that's true for a lot of things. I mean, they're complaining about in the campaign – that the vice presidential nominee Gov. [Tim] Waltz allowed felons to vote <laugh> their felon candidate <laugh> is allowed to vote because of the same law in New York. I mean, there's not any kind of, you know, there's not any kind of consistency. It's quite, quite ideologically driven and self-interested driven. Republicans believe in local control, and yet the Republican governor and legislature in Texas has wiped out the ability of cities to do very much in terms of a host of issues. So it's just not well, and it's also not necessarily the same Republican party, but lip service to the states was always in service of an ideological agenda. And states' rights really meant, obviously, in the Civil War period, a continuation of slavery and states' rights now mean let the governor of Texas police the border.

Q: Hmmm. So according to a 2023 Gallup poll, 57% of US adults believe the federal government should ensure all Americans have healthcare coverage. But nearly as many, 53% prefer that the U.S. healthcare system be based on private insurance rather than run by the government. So my question for you is, why do you think that is? Could it be the way the question is asked, or does this reflect distrust in the government's ability to manage health care? Or is it a misunderstanding of the impact of the private market on the accessibility and affordability of health care?

Lighty: I don't think it's a misunderstanding. I mean, I think most people know that commercial insurance is a hassle at best and a barrier to getting care you need if you get really sick at worst and a threat to your life at the very worst. So I think there's a clear understanding that, hey, I got this pre-authorization run around, my doctor isn't necessarily able to prescribe the meds that she wants, and I've got some pretty high out-of-pocket expenses in some cases before the insurance even covers anything. As long as I'm healthy, it's a good backstop, right? In case something really bad goes wrong. I think there's a general understanding of that and general opposition to claims denials and kind of the pre-authorization gains that go on before people can get care, I think is also the way the question's asked.

Because what if they asked, 'do you support a government guarantee of health care that puts providers in charge of determining the care you get?' Instead of saying government run, right? Because it's not really government run. I mean, Medicare is government run, but everyone acknowledges that doctors have much more freedom to decide on treatment plans, right? And I mean, they do, and under the private insurers and Medicare Advantage, they don't, right? The claims are denied. Pre-authorizations required, et cetera, just like we've been talking about. So it's really not a government run system, it's a publicly financed system. A government run system is the VA, which in some cases has the best <laugh>, best health outcomes, best electronic medical record system. I mean, and it's very popular among veterans. So, you know, what's that? But there is an anti-government sentiment that informs this question.

Now people want private insurance because they're afraid of losing what they have. They're not like, 'oh, I'd rather have commercial insurance than a guarantee that I'm not gonna have any of these hassles, right, that come with it.' No, they're afraid, 'well, yeah, you say it's gonna be better, but is it really gonna be better?' And that's the dynamic we have. It is called, you know, loss aversion. It works against us in the case of trying to reform the system. There's another question that's often asked about a healthcare system overall, people will say it's fundamentally bad. I mean, you know, in different ways, right? That we need fundamental change in health care because people know the system is messed up and they certainly want the government to provide lower cost health care, and

they want the government to control healthcare costs. So there are certain aspects, even under a general anti-government framework, that they want government intervention, right?

Even the answer to that question suggests that, 'Hey, yes, federal government guarantee us healthcare coverage, but just make sure the private plan's provided.' Again, there's this neoliberal bias that the Democrats, as much as anyone have contributed to, which says private is good, public is suspect and we confront that when it comes to health care. It helps to talk about how every other country like ours in the world does it. It helps to talk about cost control and how unless you really get rid of these profit driven insurance companies, you're not gonna control costs. So there are a lot of different ways to talk about it, and that's one of our challenges in California is to do the public opinion research to figure out what the best responses are to that. Now, when we ask Californians who make 250% or less of poverty through the Healthy California for All commission, that that Community Voices Project that [the California Pan-Ethnic Health Network] and others did, they were asked, 'do you favor government run healthcare <laugh>?' And two thirds said yes. So even when you ask the question in that way, depending on, you know, the experience of the constituency you're asking, they could be very supportive of a publicly financed administered system because the current system does not serve them well.

Thank you Michael Lighty of the Healthy California Now coalition.

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