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Lecture 4: THE BIRTH OF THE BLUES -- AND DEATH OF NATIONAL HEALTH INSURANCE

The philosopher George Santayana once said that those who can't remember the past are condemned to repeat it -- and, with that in mind, perhaps today's subject can serve as an object lesson concerning the current furor over Obamacare. As you'll soon hear, the political rhetoric being used these days is strikingly similar to what was said during the 1920s and 30s and afterward.

You may remember that two weeks ago I described how one of my neighbors (Ann Hickey) told me how when she was a small girl growing up in Piermont during the Depression, Dr. George Leitner sutured her cut hand, then rewarded her with a lollipop-- and that later her father paid the doctor's bill with a freshly killed chicken. When I heard that story, I imagined that Dr. Leitner might have had very mixed feelings because he was more than just a humble country doc (and major league baseball player), but was one of the founders of Nyack Hospital and also a longtime Rockland County delegate to the American Medical Association. So Dr. Leitner must have been well aware of macro issues concerning medical economics -- while, at the same time, he probably was happy to receive anything at all for his services -- not chicken feed, but the whole chicken! In fact, a doctor being paid "in kind" was common during the 1930s.

While seeking more information about Dr. Leitner, I visited the Nyack library where I could read annual reports from Nyack Hospital and one item from 1935 particularly caught my eye because of its catchy title: "The 3-cent-a-day Plan." This report announced that Nyack, which like all hospitals was in big financial trouble, would soon be joining an innovative prepaid insurance plan which would provide hospital care "for wage earners in the lower brackets" at a cost which amounted to about three cents a day (or \$10 a year.) It was projected that within a year there would be about 100 participating hospitals in the Metropolitan area with more than 100,000 members -- and that eventually there'd be more than one million members.

Well that was interesting but quickly forgotten. However, a few weeks later the matter came up again but this time it took on personal significance for me. I hope that you'll forgive (or indulge) me for a short detour but there does happen to be a point to it -- I think.

My mother was born in Newark, NJ in 1907. Her father was a struggling grocer, she was the youngest of four children, and while growing up her dream was to escape her prosaic life and find culture in The Big City. Mom was a good piano player and earned the \$100 annual tuition she needed for the New Jersey College for Women (which is now Douglas) by accompanying outdoor dance troupes in the park. She commuted from home to college in New Brunswick and while a

Michael Nevins, MD

student there, she met a handsome young dentist from Brooklyn who would be her ticket out. They married in December 1929 – two months after the market crashed.

For the first few years my parents lived in Newark – he commuted to his practice in New York while she got a job teaching in a local elementary school. This school had a home economics class for backward students in which once every week they'd cook something -- and whatever they made was served to the teachers who had their own lunch room. Well one fateful morning in 1931 the students made PORK CHOPS!

Like many Jewish households in Newark, my mother's family was minimally observant, but they did observe dietary laws – more or less – and, surely, no ham or pork had ever passed mom's lips. So now she faced a moral dilemma. Because she was shy and didn't want to call attention to herself by refusing the pork, she screwed up her courage and choked down the forbidden chop. I can only imagine the guilt that she felt.

Several hours later, she began having stomach cramps and, of course, she knew what they were – Divine retribution! She'd sinned and now would have to pay the consequence. When the cramps got worse she went to see the family doctor. After he heard her confession, he silently examined her belly and then came his diagnosis: "Lady. It's not the pork chop. You're PREGNANT!"

Some eight months later, my brother David was born at Beth Israel Hospital – and shortly afterward, my mother got her wish and they moved to the exciting Big City – actually, to the Bronx. Now fast forward four years to May 1936 and once again Mom's in labor. Naturally, the only place for her to deliver the next "pork chop" is at the scene of her original sin – Beth Israel Hospital. So, as they still say in Newark, I was "born at the Beth" and as soon as my mother was discharged, we returned to the Bronx, where I grew up.

Why do I tell you this? Well I happen to be our family's self-appointed genealogist and am always looking for new tidbits to add to our narrative history. So one day last year while idly "googling" through the NY Times' archive of old issues, I decided to check out what else happened on that great day in May 1936 when I emerged. Which brings me back to today's subject – at last.

When I scanned the Times' archives from May 1936, I found an article which appeared just one day after my birth. It reported that this very same "3-cent-a-day" hospital insurance plan was just beginning its second year of operation and Beth Israel was one of New Jersey's twelve participating hospitals. My first reaction was to wonder whether my parents were enrolled and, if

so, was my own entry to this world paid through this plan? As it turned out, I wasn't a 3-cents-a-day baby – because as a self-employed dentist my father wasn't eligible -- but when I pursued the story further, it put a personal perspective upon something which I'd ordinarily skip right over. What could be more boring than insurance? In fact, I also felt a sense of déjà-vu because – as I said before -- many of the same issues which trouble us today were confronted by our predecessors and it seems that we may be reliving history. George Santayana was a very wise man!

During the first years of the 20th century many progressives and reformers in this country advocated government-funded health care similar to those in European countries – Bismarck started compulsory sickness insurance for workers in 1883. During the Progressive Era, Theodore Roosevelt supported the notion, but with Woodrow Wilson's election in 1912 and then our entrance into World War I, the issue languished. A symptom of the anti-German fever was criticism of “socialist insurance” as a “Prussian menace.” Until then there'd been little demand for health insurance and the federal government left matters to the states and the states left them to private and voluntary programs. Medical technology was rudimentary and the chief cost associated with illness was not medical care per se, but the fact that if you couldn't work you didn't get paid.

Some people bought “sickness insurance” – similar to today's disability insurance – but insurance companies didn't want to get involved in this tricky area --as one trade journal reported (1919), “The opportunity for fraud [in health insurance] upsets all statistical calculations. Health and sickness are vague terms open to endless construction. Death is clearly defined, but to say what shall constitute such loss of health as will justify insurance compensation is no easy task.”

Although most European nations had adopted some form of compulsory nationalized health insurance, the idea failed to gain traction in this country. In particular, doctors feared that government intervention would limit their ability to set fees as they saw fit and most of them vehemently opposed what they called “socialized medicine.”

But with technological advances, now cure was becoming a real possibility more than a hope. Also, the population was shifting from farms to cities and the locus of treatment was changing from home to hospital. While the middle class was expecting more care, it was less able to afford it and, at the same time, doctors were being held to higher standards and hospitals were seeking accreditation by professional organizations.

Michael Nevins, MD

All of these factors contributed to rising costs so that by the end of “the Roaring 20’s,” private hospitals were verging on bankruptcy and things were about to get worse with the Depression. By 1934 hospital costs as a percentage of a family’s medical bill had nearly tripled to 40% and doctors bills generally were the last to be paid -- sometimes as with Dr. Leitner in chickens. So its no wonder that 3-cents-a-day for hospital care seemed like a real bargain.

In 1927 an independent Committee on the Costs of Medical Care (CCMC) was formed by eight major foundations to investigate the medical expenses of American families. The group grew to 48 members -- doctors, economists, public health experts -- and over its five years of existence issued several dozen reports. These detailed the difficulties people faced in paying their bills and advised that more government resources should be spent on health care. They recommended voluntary, rather than compulsory, group health insurance. Cash benefits for wages loss from disability would be treated separately and government care of the indigent expanded to relieve doctors of the burden of free care. At the same time, they recommended that general practitioner should be in a central position in medical decision-making.

Not so bad -- but when the group’s final report was released in 1932, the AMA’s chief spokesman (Morris Fishbein) called it “an incitement to revolution” – and a headline in the NY Times incorrectly reported “Socialized Medicine is Urged in Survey.” In fact, members of the advisory group weren’t revolutionaries and they weren’t naïve. They were well aware of the political implications, but they had set out to answer a basic question: how to reform deficiencies of the organization of medicine? They recognized that something had to be done and, as it turned out, over time some of their suggestions were implemented.

In 1929 in Dallas, Texas, Baylor’s financially strapped University Hospital enrolled about 80% of the city’s 2,000 school teachers in a voluntary prepaid plan. 50 cents a month would entitle members to 21 days of hospital benefits and soon other Dallas hospitals followed suit. These prepaid plans provided a steady stream of income and before long other communities devised similar collaborative arrangements. By 1939 these pilot projects combined under the auspices of the American Hospital Association (AHA) which bestowed their trademark Blue Cross seal for participating hospitals. Although organized medicine endorsed Blue Cross, its leaders vowed to be “aggressive” and “dynamic” in resisting socialized medicine. As one editorialist wrote, “the static form of practice is done according to fixed rules, rather than by the adaptation of the doctor’s methods to the individual patient, with due consideration for his personal feelings and his real needs.” Unlike with conventional insurance, marketing wasn’t hawked by middlemen or salesmen on commission, and because their approach was said to be “non-profit” Blue Cross

Michael Nevins, MD

plans were exempted from state insurance laws and taxation (Eventually this was confirmed by the United States Supreme Court.)

In 1935 the administrator of the program at my birth hospital -- Beth Israel -- moved from Newark to New York to head the Associated Hospital Service which opened at 74 hospitals (including Nyack) based on the "3-cent-a-day" model. The first subscriber was the novelist Fannie Hurst who joined with a group of employees in her apartment building. Other groups included guards in the Central Park Zoo, teachers at Theodore Roosevelt High School and employees of a steamship line at the Battery. As the NY Times explained:

All residents of New York City or living within a radius of fifty miles are eligible to join. There are no restrictions as to a subscriber's occupation or income. All applicants are required to sign a statement that they are in good health and less than 66 years old. No physical examination or financial investigation is made and payments may be made through payroll deductions of 90 cents a month. Hospital services are available to subscribers after they have been members for ten days, except in cases of accident or emergency illness, when the services will become available immediately. Maternity care is available after a minimum of ten months.

Members could be cared for at any hospital in the plan but doctor's bills would not be covered. Because initial cost projections were made with insufficient actuarial data, after four years the Associated Hospital Service rewrote the rules and some 57,000 contracts with individual subscribers were cancelled -- but this hardly caused a ripple because the group mounted an active publicity campaign to educate the public.

Blue Cross's marketers preached that private insurance was preferable to national health insurance and that health care was a personal responsibility best left to the marketplace -- that was "The American Way." Of course, in order to keep costs down they were skimming the hale and healthy -- who happened to be those most likely to vote. An AMA report acknowledged that the idea of group hospitalization plans was "reasonable in theory" but its application would introduce many dangers that should not be overlooked. What dangers? The president of New Jersey's medical society warned that "federalization of all our economic and social life" would lead to increased taxation and perhaps confiscation of property or restriction of personal liberty. Listen to what he said:

When political, economic, or social depression comes on, as the result of war or other upheaval, then the average citizen is not so much interested in how far forward he can

Michael Nevins, MD

go, as he is concerned as to how far backward he may fall. He then calls for help, and this is the stimulus which produces strong centralized governments and dictators. The people in return for bread, butter and clothing, are then willing to give up national liberty for personal protection. When the strong centralized government is once enthroned, it changes only with returning prosperity and peace to a monarchical type of government, and this era lasts until such time that the great bulk of citizens become dissatisfied with supporting their former protectors.

When prepaid plans began in Washington, DC (1937), Kaiser-Permanente in California (1942), Seattle (1947) and Minneapolis (1957) they all encountered strong opposition from medical establishments and lobbyists. Nevertheless, they attracted large numbers of enrollees.

But proponents of government-sponsored health care still had its champions. Among them was Professor Henry Sigerist of Johns Hopkins whose face appeared on the cover of Time magazine in 1939 above the words "History spirals toward Socialization." Sigerist was described in the article as the world's greatest medical historian and the nation's most widely respected authority on compulsory health insurance. He was an avowed socialist and he had a specific agenda. He warned physicians against "nostalgia for yesterday's individualistic ideals" which he believed obstructed progress. He preached that although American medicine was technically brilliant, it was delivered through an outdated, irrational and disorganized system of fee-for-service practice. As he said: "It is unworthy of his professional standing for the physician to be forced to express the value of each individual service in terms of money, as if he were a storekeeper. Those whose minds are on riches had better join the stock exchange."

Professor Sigerist believed that as society was becoming more complex, states could no longer leave medicine to the whims of individual physicians but should encourage more structured forms of medical care. He emphasized the importance of pooling resources, providing comprehensive services and encouraging preventive health care and health education. And he admired the efficiency of the state-sponsored German insurance system which had been introduced by Bismark. He also argued that socialized medicine was "the answer to over-specialization."

Henry Sigerist singled out an obscure dust-bowl physician by the name of Michael Shadid whom he described as "a doctor for the people." It was an apt phrase since what befell this rural practitioner was like an Oklahoma version of Ibsen's "An Enemy of the People" -- an idealistic doctor in conflict with the medical establishment. Michael Shadid had arrived in New York in 1898 as a penniless sixteen year old Lebanese immigrant. He was full of hope and after peddling cheap jewelry for several years he'd saved \$5000, which was enough to pay for medical school in

Michael Nevins, MD

St. Louis. After several years of general practice in small Midwestern and Southern cities, in 1923 Michael Shadid settled in Elk City— a town of nearly 6,000 people in western Oklahoma. But he soon found that many of his patients had mortgaged their farms, or lost them, in order to meet their doctor and hospital bills. Not only were they not getting the services they needed but, in his opinion, the local physicians were taking advantage: as he said, “The exorbitant fees charged by many specialists are a disgrace to the tradition of our guild. They indicate an attitude akin to that of the highwayman who demands your money or your life.”

Like Professor Sigerist, Dr. Shadid was an unapologetic socialist and he proposed a prepaid group plan which would be based on the successful model of farm associations that were entirely owned by their members. For \$50 each, 2000 of his farmer patients became shareholders in a clinic and hospital which when it opened in 1931 was the country's first cooperative hospital. Whether or not they were stockholders, for \$25 a year a family could receive full medical care from a small group of salaried physicians and those who didn't want to prepay could pay for specific services delivered. According to Dr. Shadid:

Cooperative medicine will improve the conditions of the doctors by freeing them from the uncertainties of private practice....The people can no longer afford the fee-for-service system since the cost of modern diagnosis, surgical operations, hospitalization and specialist consultation has become prohibitive and beyond their means.

For this the county medical society expelled Dr. Shadid and the state's Board of Medical Examiners tried to revoke his license. A bill was introduced in the legislature to ban cooperatives, but was defeated by the powerful Farmer's Union. Michael Shadid was subjected to malicious rumors and accused of charlatanism and violation of medical ethics. He was called a “Communist Turk,” a peddler of rugs, a “fifth columnist,” an “atheist,” a “chronic drunkard,” a father of a daughter he drowned “because she married an American.” Checks were forged to tie him to the Communist Party and the medical society refused him and his staff malpractice insurance. But Michael Shadid persevered and eventually drew national attention. As Paul de Kruif (the author of “Microbe Hunters”) wrote in the Reader's Digest:

Courageously, resourcefully, Dr. Shadid and these Oklahomans have pioneered a way to beat our shortage of country doctors. They have proved that even a poor farm community can build its hospital, pay for it, and hire a staff of competent physicians and surgeons. For rural America, Dr. Shadid and the Oklahoma farmers have shown the way toward a new level of medical strength and vigor made possible by prepaid group practice – the country medicine of tomorrow.

Michael Nevins, MD

Inevitably, Michael Shadid's hospital was closed, but the Oklahoma program was followed by similar cooperatives in several other states as part of New Deal efforts to assist rural communities -- and the Elk City project served as a prototype for cooperatives such as Kaiser-Permanente in California and the Health Insurance Plan (HIP) for Greater New York. Although membership in health cooperatives was strictly voluntary, organized medicine considered them to be the first step down a slippery slope.

Meanwhile the Roosevelt administration was considering various social programs which might include medical care. The leading advocate for change was a feisty economist and social reformer from Boston -- Frances Perkins. She was a close friend of Franklin Roosevelt who in 1933 appointed her Secretary of Labor. She was the first woman Cabinet member, serving for twelve years. Perkins said that she came to Washington "to work for God, FDR and the millions of forgotten, plain workingmen." In 1911 she'd witnessed the Triangle Shirtwaist Fire and, three decades later, she goaded the cautious President to pursue the major components of the New Deal -- the minimum wage, unemployment compensation and Social Security. She also wanted to include universal health insurance, but that was politically too hot to handle and the medical profession were openly hostile to anything which they felt might adversely effect their pocketbooks.

At the AMA's annual meeting in 1937, the New York delegation had introduced a resolution for "The Development of a National Health Program." But it was limited to using Federal funds to support medical education and research. The famous surgeon Harvey Cushing wrote to the President that national health insurance would "lead to the deterioration of the doctor, the demoralization of his professional code and the placing of the profession under a bureaucracy." FDR's response was to promise that some day national health insurance would be enacted, but that this wasn't the right time. He wanted incremental change and in 1935 his primary interest was passing Social Security.

A Gallup poll in January 1939 found that some 25 million Americans would be willing to pay three dollars a month for complete medical and hospital care, but a poll of 16,000 doctors found that only about half supported using public funds to provide medical care for low income groups (Medicaid.) In order to maintain the status quo, AMA spokesmen proposed limiting the size of medical schools, establishing tighter licensure requirements and limiting immigration of foreign physicians (remember that this was at a time when so many doctors were desperately trying to escape Nazi Germany.)

Michael Nevins, MD

Francis Perkins continued to pursue universal health care with the President, but during his second term Roosevelt no longer was willing to risk political capital on domestic programs; the nation's mood was changing and people were less inclined to seek government aid than before. The economy was starting to mobilize for war, jobs were becoming more plentiful and some employers were providing private health coverage for people who were relatively young and healthy. Left at risk were sick people who lost their jobs or old people who no longer were employable. With the start of World War II, the momentum for universal health insurance petered out. Frances Perkins was marginalized (she died in 1965 at age 85) and as late as 1943 FDR still was lamenting "We can't go up against the State medical societies." He suggested that the matter would be reconsidered after the war and hinted about an "economic bill of rights" which would include adequate medical care -- but he ran out of time.

Another advocate for health care reform was New York's Senator Robert Wagner who with several colleagues suggested that a national program could be funded by federal grants-in-aid to states which then would be given broad discretion and even could choose not to participate -- sounds like Obamacare right?

Wagner's first attempt failed but was reformulated in 1943 as the Wagner-Murray-Dingell Bill which called for compulsory national health insurance that would be financed through a payroll tax. Although it was supported by organized labor, once again opposition was scathing and there was flagrant red-baiting.

Just last month (Feb. 24, 2014) 87 year old Representative John C. Dingell Jr. of Michigan retired after 59 years -- which was a record for the longest serving member of Congress. He said he no longer could take the hyperpartisan atmosphere which had become "obnoxious" to him. He'd entered office in 1955 to replace his recently deceased father, John C. Dingell Sr. who when elected in 1933 had worked with Robert Wagner on the first bill which called for national health insurance. For the next 79 years, either father or son Dingell introduced a variation of the same thing at the start of every new Congressional session -- an amazing record of persistence -- and futility! But in 2010 when the Affordable Care Act was passed, John C. Dingell Jr. sat beside President Obama as he signed it into law.

In time the AMA concluded that they'd be better off preempting government by designing their own approach which would not be subject to control by non-physicians. State medical societies were encouraged to establish local plans in order to ward off national health insurance and medical leaders approved of the Blues which were strongly influenced by health professionals. By 1944 36 states had Blue Cross plans with about 13 million subscribers and Blue Shield, which began in 1939 and paid medical bills on a fee-for-service basis, was available in 13 states.

While Franklin Roosevelt chose not to pursue universal health care, Harry Truman was totally committed. He proposed a single program that would include all economic classes, not just the working class, and he insisted “we can afford to spend more for health.” Of course, at that time medical costs absorbed 4% of GNP while today it is over 17%. Listen to what Harry Truman said in a message to Congress in November, 1945 – just three months after the end of the war:

National health insurance is the most effective way to meet the Nation's health needs.....Although the individual or small groups of individuals cannot successfully or economically plan to meet the cost of illness, large groups of people can do so. If the financial risk is spread among all our people, no one person is overburdened. More important, if the cost is spread in this manner more persons can see their doctors, and will see them earlier. This goal can only be reached through a national medical-insurance program, under which all people who are covered by an insurance fund are entitled to necessary medical, hospital and related services.....The total health program which I have proposed is crucial to our national welfare [and] the heart of the program is national health insurance. Until it is part of our national fabric, we shall be wasting our most precious national resource and shall be perpetuating unnecessary misery and human suffering.

But Harry Truman's call for a single comprehensive plan that would cover all ages and classes became enmeshed in Cold War politics. A Congressional committee concluded that “known Communists and fellow travellers within Federal agencies are at work diligently with Federal funds in furtherance of the Moscow party line.” And Senator Robert Taft said, “I consider it the most socialistic measure the Congress has ever had before it.”

The AMA claimed the Truman plan would make doctors “slaves.” Truman replied that a single system would not be “socialized medicine” that doctors would be able to choose their method of payment and people would continue to get medical and hospital services “just as they do now” – which was an eerie parallel to President Obama's recent promise.

The AMA's counter-proposal (1949) was voluntary rather than compulsory health insurance – so long as it was controlled by local medical societies and followed AMA guidelines. The centerpiece of their expensive PR campaign (Whitaker & Baxter, \$1.5 million) was a famous painting called “The Doctor” that was done in 1887 by the English artist Sir Luke Fildes. It was used as a symbolic ploy to suggest the dangers of impersonal government-sponsored medicine. It showed a kindly Victorian-era doctor on a home visit sitting in a humble cottage by the bedside of a sick child. He appeared vigilant and there was no medical equipment in sight except a mortar and pestle and a

Michael Nevins, MD

cup and spoon. The painting was interpreted as depicting the dedication and humanity of the family doctor and the message was that the doctor-patient relationship would be imperiled by any drastic change.

Perhaps they were correct because, at least to my mind, nowadays that old-time kind of personal relationship is virtually gone. The AMA distributed hundreds of thousands of posters, brochures, billboards and direct mailings featuring this painting with the accompanying slogan "Keep Politics Out of This Picture." The implication was that the best features of American medicine would be violated if the United States followed the European model and the campaign was enormously effective. When Truman's proposal died in congressional committee, obviously, politics was very much IN the picture.

With John Kennedy's victory in 1960, the idea of universal insurance revived again in modified form. One of JFK's advisers declared that the AMA "subverted the will of the majority [with] methods of vilification and intimidation of anyone who does not agree with their position." But conservative opposition was adamant. In 1961 the actor Ronald Reagan, acting as spokesman for the AMA, in a ten minute recording said that unless national health care was rejected, "as surely as the sun will come up tomorrow, behind it will come other federal programs that will invade every other area of freedom we have known in this country. Until one day...we will awake to find that we have socialism." – it was an echo of Senator Taft's words fifteen years earlier – and the AMA's leader Morris Fishbein fifteen years before that.

Only after Lyndon Johnson's landslide victory over Barry Goldwater in 1964 swept a Democratic majority into Congress, could "Great Society" reforms be enacted with health care as a centerpiece. The AMA redoubled its efforts and launched "Operation Coffeecup" in which doctors' wives were encouraged to host parlor meetings to talk against Medicare. But now the political cards were stacked against them. National health expenditures had risen to ten times more than in 1940 and when a few AMA leaders called for "pragmatism", they were accused of "appeasement" or "surrender" – or leading their colleagues like sheep into "involuntary servitude." But despite their opposition, the Medicare bill passed and on July 30, 1965 President Lyndon Johnson flew to Independence, Missouri to sign the bill in the presence of former President Truman. The federal government finally had triumphed and Medicaid was passed at the same time.

It's interesting to contrast the roll-out of Medicare in 1966 with what's happening now with Obamacare. Within eleven months of passage, medical bills were being paid for 99% of eligible seniors -- nearly 19 million of them. Signing up was simple. The Social Security Administration,

Michael Nevins, MD

which already had names and addresses, handled enrollment. Mailings were sent out, educational meetings held, about 5,000 low income seniors were hired to go door-to-door in their neighborhoods and forest rangers sought out people living in remote areas. Despite fears that the system would be overloaded, hospitals continued to operate smoothly without waiting lists. In the deep South some hospitals initially refused to cooperate but by the end of the first month, 99.5% had signed on. And despite dire predictions, almost all doctors signed on.

Of course that didn't end the controversy -- nor was Medicare, either then or now, a perfect solution. Its frequently been amended in later years and here's another historical irony: In 1988 Ronald Regan, now the President and not the actor, signed into law a Medicare amendment called the Catastrophic Care Law. It would require up to a \$800 premium supplement for all Medicare recipients in order to protect them from bankruptcy due to extreme medical costs, including for expensive drugs otherwise not covered by ordinary Medicare. There was public outrage. Opponents clamored for repeal even before the new program kicked in. Many senior citizens (40%) who already had supplementary insurance saw this as their being forced to pay for those who didn't. Although the law had bipartisan support, there was insufficient education of the public and there were difficulties with the roll-out. Sound familiar? After Congressman Dan Rostenkowski was attacked in his car by a white-haired mob and lobbyists piled on, Congress got the message -- and so seventeen months after the Catastrophic Health Care bill had been signed in the Rose Garden, it was repealed. This disproved the dictum that once an entitlement is given, that it can't be taken away. And also, it illustrated the political hazard of presenting sweeping health system changes to consumers who might not be prepared for them.

My main purpose in describing the "Birth of the Blues" and the failure of government sponsored universal health coverage to gain political traction has been to emphasize how some of the political rhetoric that's heard today from critics of "Obamacare" is virtually unchanged from our past: "socialized medicine" is still cast as the bogeyman and any suggestion of compulsion is considered to be anathema. In a letter to Congress in June 2009, President Obama said: "I strongly believe that Americans have the choice of a public health insurance option operating alongside private plans. This will give them a better range of choices, make the health care market more competitive and keep insurance companies honest." This time the AMA's response was mixed. Although they officially endorsed the ACA many members resigned. As one of their representatives testified to the Senate Finance Committee, "The introduction of a public plan threatens to restrict patient choice by driving out private insurers who currently provide coverage for nearly 70% of America." (In fact it was 54%). Not accounted for by him were what by now has reached an estimated 32 million people who are uninsured. Although Medicare and Medicaid, the Federal Employees Health Benefits Program and the Veterans Administration all are widely

Michael Nevins, MD

accepted today, you'll recall the zealots who mindlessly pleaded, "Don't let the government get their hands on my Medicare."

To my mind, Obamacare is a step in the right direction, but doesn't it go far enough. It's true that the roll-out has been chaotic and the program's future remains uncertain. But if it is rejected or it fails, the crucial question is what will replace it? Hardly mentioned by Congress or by pundits in the lead-up to the ACA was a single-payer approach like what works in most of the rest of the developed world (like what Frances Perkins and Harry Truman advocated.) It's often called "Medicare For All" and increasingly is favored by doctors and health economists. In a recent poll, two thirds of doctors in Maine said they'd prefer a system similar to that of their Canadian neighbors. Single-payer deniers have developed a mythology about the woes of the Canadian system, but if you were to ask Canadian citizens, very few of them would trade their approach for ours.

It's been said that a nation's greatness is measured by how it treats its weakest members (Ghandi) and if that's true, then what does it say about our country today? I don't want to get into a political debate and I'm sure that some of my remarks will have provoked dissent, but before I invite your comments, let's try to be civil -- even if we may disagree.

In his inaugural address, Mayor de Blasio cited the crusading journalist and photographer Jacob Riis for taking on the elite and standing up for social and economic justice. In 1890 Riis wrote a book called "How the Other Half Lives" which called attention to the squalid lives of New York's tenement dwellers which served as a nidus for reform. It's not so very different today -- too often the neediest among us are ignored or blamed for their own suffering. At the same time, the Koch brothers have spent an estimated \$20 million on television advertising against those Congressmen up for reelection this Fall who support the Affordable Care Act -- and most Republican-controlled states have refused to implement expansion of Medicaid. At the same time, food stamps and other antipoverty programs, and long term unemployment benefits are being reduced or delayed. Some people continue to argue that aiding the poor perpetuates poverty by reducing incentives to work.

Michael Nevins, MD

In 1943 the US Supreme Court convicted the AMA of violating the Sherman anti-trust act when it conspired to restrain trade of a cooperative (much like Shadid's) in the District of Columbia.

In 1965 "Operation Coffee Cup" of the AMA urged doctors' wives to host meetings of friends to combat Medicare. Reagan said "Freedom is just one generation away from extinction." We always have to keep fighting for it.

The AMA currently has about 217,000 members – steadily dropping – constitutes about one third of the country's 625,000 practicing doctors. (ACP is 132,000)

OBAMACARE

Provides access for 32 million who now have no health insurance. With ACA fully implemented, 94% of Americans will be insured.

1. Preexisting/chronic conditions can't be kept out or priced up.
2. Extends coverage to 2.5 million young people (age 19-25) on parent's
3. Provides Medicaid coverage to 16 million more – all paid by Feds.

CURRENT US HEALTH INSURANCE

Employer 48%; Medicaid 16%; Medicare 14%;

Uninsured 15%; Other Private 5%; Other Public 1%

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