Medical Xpress

# 'Public option' becomes central to health debate

August 22 2009, By RICARDO ALONSO-ZALDIVAR , Associated Press Writer

FILE -- In this May 11, 2009 file photo, Elizabeth Edwards is interviewed on the NBC "Today" television program in New York. (AP Photo/Richard Drew, File)

(AP) -- The idea of a government medical plan to compete with private insurance has become a litmus test in the health care debate. It could easily have been nothing more than a forgotten proposal gathering dust on some professor's bookshelf.

The "public option" followed an unlikely path to center stage in national politics. It started out with two liberal policy experts, working

independently on different approaches. Along the way, Elizabeth Edwards - sensitized by her own experiences as a cancer patient - helped propel it into the presidential debate during her husband's campaign.

Now it's become the dividing line. Most Democrats insist any legislation must include the choice of federal coverage, while nearly all Republicans view it as a step toward a government takeover. President Barack Obama , eager to get a bill that can pass Congress, seems to be squirming in the middle.

A look at the roots of the idea shows that the policy experts who proposed early versions believed the federal plan would eventually become one of the largest insurers in the country - a major expansion of the government's role.

But Obama and other candidates saw the idea through a political lens, a compromise between rival Democratic factions. One side wants Medicare-for-all, while the other prefers to subsidize coverage through private insurance plans - as Massachusetts has done. The debate within the party still rages, with Obama in the crossfire.

Former North Carolina Sen. John Edwards was the first Democratic presidential candidate to propose a public option as part of his health care plan, unveiled in 2007. Behind the scenes, his wife, Elizabeth, was a strong advocate.

In an interview, Elizabeth Edwards said that as the daughter of a Navy captain, she grew up with government health care and found it dependable. Later in life, her sojourn in the medical world as a breast cancer patient opened her eyes to the travails of people who had no insurance, or whose coverage turned out to be unreliable.

"I met people who were constantly coming up against one problem or

another," Edwards said. "Even people like me, who have health care, know someone who has been through some misery because they couldn't afford the health care they needed."

Before the 2008 presidential campaign, chances were slim that lawmakers one day would consider government coverage for middle-class workers and their families. Liberals had talked for years about expanding Medicare to cover not just seniors, but all Americans. That's all it seemed to be - talk.

Political scientist Jacob Hacker had proposed a plan in 2001 that he called "Medicare Plus." Employers could choose either to offer private insurance or pay a payroll tax to finance coverage for their employees through a health plan modeled on Medicare. Early in 2007, as the presidential campaign was gearing up, Hacker retooled his proposal. It quickly caught on with core Democratic constituencies.

"The unions fell in love with Jacob's idea," said health economist Len Nichols of the New America Foundation.

Hacker, now at Yale University, said he wanted to bridge the gap between Democrats who supported a single payer plan like Medicare-for-all and those who wanted to preserve the employer coverage that has served most Americans for a half century.

"I tried to provide a case for seeing common ground between those two positions," Hacker said. "There's certainly a strong political argument that single payer is not feasible. Threatening (employer) coverage is a political nonstarter, and moving all health care spending onto the public budget is virtually impossible in the current fiscal climate."

Estimates showed his public plan would end up covering about half of workers and their families - giving the government a powerful position

in the market.

On the other side of the country, a Berkeley health policy professor had already come up with the idea of a head-to-head competition in which individuals would choose between a government plan and private plans. Helen Halpin proposed such a scheme in 2002 for California, and the following year she retooled it as a national proposal.

Called the CHOICE Option, Halpin's plan amounted to a referendum on whether government coverage or a private plan is better. It's close to the spirit of what Democrats are now proposing.

"May the best model win," Halpin said. "Depending on the preferences of the population, the system could evolve to single payer, but it would be a totally voluntary transition." Her bet: The government plan wins.

Edwards' health care adviser, Peter Harbage, said he was familiar with both Halpin's idea and Hacker's proposal, and they were discussed in the campaign's deliberations.

"What Helen had here was the idea of choice, and choice as an option," said Harbage, now at the Center for American Progress. "The catch phrases people are using today were part of her paper."

Edwards decided on his health care plan after the campaign set up a private teleconference debate that featured two independent policy experts. One argued for a government-run system, while the other defended a market-based approach like Massachusetts has.

"We were both walking around with phones," said Elizabeth Edwards. "I was listening in." After the debate, her husband decided to go for the market-based approach - with a public option added.

Later on, Obama and Hillary Rodham Clinton adopted the public plan. It wasn't controversial in the Democratic primaries, and Republican John McCain did not make a major issue of it in the general election.

Halpin went on to serve as a health policy adviser to the Obama campaign, where she worked on the public plan. She's since returned to academia. Hacker remains a leading spokesman for the idea.

The idea remains popular with the public: A Kaiser Family Foundation poll this week found 59 percent of Americans support it.

*©2009 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.*

Citation: 'Public option' becomes central to health debate (2009, August 22) retrieved 26 April 2024 from https://medicalxpress.com/news/2009-08-option-central-health-debate.html

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.