

facts for working people

A Publication of Labors Militant Voice

Healthcare Issue

\$1

Building a Democratic Socialist Alternative to the Dictatorship of Capitalism

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Why Your Healthcare Costs Have Doubled

The annual cost for health coverage for a family of four in 2007 will exceed \$15,000. In 2000 it was a little over \$7,400.

Rising costs forced 80 million people, for some part of last year, to go without health insurance. Those with coverage saw huge hikes in their deductibles, co-pays and premiums.

Since 2000, healthcare costs have risen an astronomical 73%. Many working people have concluded that some kind of fundamental change in the US healthcare system is necessary. Gallup recently reported 69% of Americans supported the federal government paying for universal health care coverage, with only 28% opposing a socialization of healthcare costs.

America's bosses have now begun to recognize the dangers of the current crisis of private healthcare. Large corporations concerned with profit margins have increased employee's share of their healthcare costs. City and state governments are cutting services to pay for increased healthcare costs and in the past 5 years almost every strike has been over health benefits.

In February all the big healthcare players held press conferences in favor of some form of universal healthcare coverage. The Federation of American Hospitals, the American Health Insurance Plan and the Business Roundtable each stated their support for some form of universal coverage. A dozen State Legislatures have bills on universal healthcare following Massachusetts' move last year to mandate health insurance coverage. Legally requiring everyone to carry private health insurance is not the same as providing everyone with healthcare.

What drove up healthcare costs?

The early 1980s marked a turning point for big business. The mass civil rights, anti-war and women's rights movements had ebbed. The Reagan administration along with big business then launched an offensive against the unions. To compensate for the decline of American manufacturing there was a massive deregulation of other industries. The result over twenty years was an unprecedented shift of wealth from bottom to top. Profits as a proportion of corporate expenditure rose dramatically as the wages in relation to profits collapsed.

Healthcare was an area where profits could be dramatically raised. Federal laws were introduced that strengthened the business side of healthcare. The 1980 Bayr-Dole Act enabled private drug companies to buy and own the discoveries of taxpayer funded public research. In 1984 another bipartisan bill, the Hatch-Waxman Act consolidated this windfall by extending

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Big Business Out of our Health care



Stop! Thief!

Rise in annual cost of Insurance for a family of four: 2000 to 2007

Susan's Story

Susan, 68, should be retired. She's had a hard life. She lost her husband in the Vietnam War and worked poorly paid jobs to bring up her daughter on her own. She got cancer. She had health insurance. She was hospitalized and survived. Her insurance company did not tell her that she would be forced to pay a large amount of the bill. Two hundred dollars is taken out of her pay every month. She is never going to be able to afford to retire.



Who's supporting the troops' healthcare?

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Health Care Crisis



JUST THE FACTS

Total cost of healthcare in the US is **\$1.6 trillion** per year. In the next 10 years, **\$1** of every **\$5** will be spent on health care. Health care spending is expected to double over the next 10 years.

Administration costs in public hospitals run **22.9%** of total budget, **24.5%** in non-profit hospitals, and **34%** in for-profit hospitals

2 million Americans went bankrupt because of health care costs in 2001

Total administrative costs in the health care system are **\$286 billion** per year. This number, plus profits, account for **31%** of total health care costs.

1/2 of all personal bankruptcies are caused by medical bills. Of those, **3/4** had health insurance before they got sick.

The average cost for private health insurance for a family of four is **\$15,000**. Annual earnings for a fulltime worker on the federal minimum wage is **\$10,712**.

Since 2000, employee contributions to company provided health insurance plans have increased by **143%**.

There are **88,000** pharmaceutical salespeople employed to push prescription drugs. That's 1 salesperson for every 4 to 5 doctors.

Over 1960-1980, prescription drugs as a percent of Gross National Product was the same. Between 1980 and 2000, it increased by **300%**.

Annually, the pharmaceutical industry spends nearly twice as much on marketing as it spends on research and development. R&D costs are also tax deductible.

Big pharmaceuticals use their massive profits to buy off the politicians that are supposed to regulate them

78 drugs were approved by the FDA in 2002. 71 were variations of old drugs. 7 contained new ingredients. Only one of the 7 was developed by a US drug company.

Between 1998 and 2005, the pharmaceutical and health products industry spent **\$675 million** in federal lobbying. No other industry spent more money to sway public policy in that period.

In 2002, the pharmaceutical companies' profits accounted for 55% of all Fortune 500 companies.

Between **51** and **53 million** Americans are uninsured. **80 million** people go without coverage for some part of the year.

8 of 10 uninsured families have an employed worker, **7 of 10** uninsured families have 1 or more fulltime workers. **55%** of the uninsured earn so little that they are in the 0% tax bracket.

In 1963, health care costs were **5%** of US GNP. By 2005, they were **15%**. In 2015, they're estimated to go to **20%**.

The average in all industrialized nations is only **9.5%**. Take Spain for example. They spend **7.6%** of GNP on health care, the life expectancy for Spaniards is 2.2 years longer than for Americans.

CEO William McGuire of United Health Group "earned" **\$124.8 million** in total compensation in 2004. **\$124.8 million** could pay 833 doctors at current typical salaries, or it could run one reasonable size community hospital for a year.

Healthcare for Veterans

Ramon Leal served in the National Guard in Iraq, including a stint at Abu Ghraib. He told FFWP that when he returned he had problems standing for long durations. He visited the VA and the doctor advised he "best stop working." Ramon is not a millionaire and so this was not possible.

"The military were just not looking out for me, they were looking to cut costs," he told us. "I have buddies who tried to get a medical visit and they keep pushing back the appointment. Four months! They were cutting the VA budget when they started the war in Iraq! It should be a basic human right to be healthy, but all they're thinking about is the money. The cost to them."

The Walter Reed veteran's hospital scandal confirmed that the US government is eager to recruit working class kids to die for their war, but less enthusiastic about dealing with the human tragedy of war for those same young men and women. In January 2006 Walter Reed's contract was privatized to the cheapest bidder. While the contractor running Walter Reed made fat profits, the Veterans were living in hell. So, who really supports the troops?

Iraq Vet?

Contact LMV at erin@bringdownbush.org
or Join Iraq Veterans Against the War
at www.ivaw.net



Canada where everyone is covered

2% of Canadians believe the US healthcare system is better than their own, according to a *Toronto Star* poll

In Canada in the 1940's, the working people of Saskatchewan fought a long and bitter struggle for public health care. Even after over 1000 MDs who opposed this demand went on strike, workers, farmers and grass roots organizations refused to back down and 10 years later a province-wide Medicare system was won. Farmers did not have to lose their farms and working people their homes and savings to receive good health care.

This victory in Saskatchewan whetted the appetite of workers across Canada for a national health care program. In 1957 the federal government introduced a national hospital insurance program. Despite the organized opposition of the Canadian Medical Association, in 1965, responding to pressure from ordinary Canadians, a national Medicare program was created.

Medicare in Canada ensures that all Canadians are guaranteed access to a publicly funded and administered health care. Under this single payer system the federal government transfers funds to provinces, which in turn provide health care to all. All Canadians are issued a provincial health card which entitles them to visit the doctor of their choice and receive hospital care. Medications and treatments in hospital are free. It means access to public health, community health care and home care without money out of pocket. No one is uninsured.

Vet Fact

Since the Iraq War the Veterans Administration has recognized **fewer soldiers' claims for disability than in the period prior to the War**

Healthcare costs from page 1

monopoly rights for brand-name drugs. In 1987 Congress then prohibited individuals buying cheaper prescription drugs from Canada. In addition, the big business politicians of both parties appointed more business friendly leaders into the Federal Drug Administration and the National Institute for Health to facilitate the interests of the drug companies.

A party for the drug companies

While prescription drug costs only account for 20% of healthcare spending, profits rocketed not only for the drug and insurance companies, but also for the HMOs and medical technology companies. Of the 2002 Fortune 500 corporations, the top 10 Pharmaceuticals made more profit than the profits of the other 490 corporations combined. For the first time their products were widely advertised on TV and elsewhere.

In 2003, healthcare insurance premiums rose at a rate of 13.9% over 2002. But while all the businesses involved in healthcare were experiencing a party of massive profit taking, rising healthcare costs impoverished working people and drove more families to have no health coverage.

The profit party eventually began to unravel. The increasing pool of uninsured families were driving up costs for public hospitals and for the Trauma centers of private hospitals, who are legally bound to treat emergency cases. Healthcare costs were also undercutting profit margins for corporate America in general. Capitalism has now begun exploring a health system that will protect the profits of all healthcare companies and will be funded by the tax paying working class.

What we can do

The state Legislature of California is currently considering four different healthcare bills. The Governor supports one of the three plans that does not challenge the role of the private health insurance companies. The fourth proposal SB 840, while leaving the pharmaceutical companies under private ownership, does remove private insurance companies from the healthcare picture, replacing the myriad of insurance companies and plans with a direct single healthcare plan.

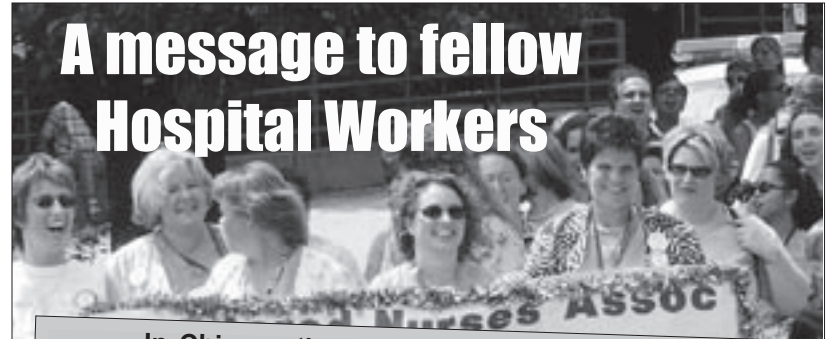
The United Nations' World Health Organization rates the US healthcare system as 17th in the world, despite the US spending twice as much per capita on healthcare as any other country in the world. The massive, bloated administration costs in the US healthcare system have been a major source of profits. Administration costs are two to three times higher than under nationalized healthcare systems in Canada, Europe and Japan. **As a business, healthcare in America is thriving. As a system to prevent sickness and protect the sick, it has failed.**

While business interests dominate healthcare, for working people maintaining health coverage will always be a struggle. The profit-addicted businesses must be driven out of the healthcare sector and replaced by a democratically run system that puts prevention and the care of the sick first. The health insurance industry must be scrapped altogether and the Pharmaceutical industry brought under public ownership and direction. The entire healthcare system should be planned and run by elected committees from the community and healthcare workers.

Yolanda's Story

Yolanda, 46, is a hostess at an upscale non-union restaurant. She recently was admitted at the County Hospital emergency room for a life threatening asthma attack. Her condition is entirely preventable. Three years ago she had health benefits through her work. Then the company dropped everyone's coverage. The County mailed her a bill for saving her life.

A message to fellow Hospital Workers



In Chicago there are currently plans to cut over 350 nurses and doctors from the public health care system. This comes at a time of record-breaking levels of under and uninsured patients as well as understaffed hospitals. In the for-profit health care system it is not only patients that have to live with decreasing conditions and the plans for greater privatization. It is the health care workers themselves that share the center of this storm.

In nearly every hospital across the nation the burden on health care workers is increasing. This is a direct result of health care being a business rather than a human right.

Failed organizing strategies have placed emphasis on cooperating with hospital management for a more profitable and streamlined health care system. This has resulted in cuts to patient care as well as declining staff ratios and work conditions.

The alternative to this would be to form real unions ready to take on hospital management. These unions would be run by all of the hospital workers from janitors and C.N.A.s to R.N.'s and doctors. They would work to organize patients and their families into the struggle for health care as well. Together we could assemble a powerful united front for the benefit of all health care workers and patients alike.

This type of organizing could accomplish several things. For one, it would overcome the typical divide that hospital management places between all health care workers to keep us antagonistic toward each other. It would free us to cooperate on what our patient's real needs are and how to best provide them. Costs could be cut from executive salaries and used for increasing wages and improving the access and quality of health care. Instead of a house divided, we would have a hospital doing exactly what it was created for.

It is a struggle long needed to prevent the total collapse in health care access and working conditions. This organizing could expand from hospital to hospital, city to city and state to state. At the end we could have hospitals taken from the accountants and corporations and begin the struggle for a true public health care system.



A Socialist Alternative for Universal Healthcare

End Poverty

- ❑ Decent housing, food, and jobs for all
- ❑ \$15 an hour minimum wage and a 32 -hour working week for all
- ❑ All workers to have paid sick time

End Private profiting from healthcare

- ❑ One single health collective with publicly-owned hospital and pharmaceutical industries that are under the democratic management of health-care employees, patients and the communities they serve

Free accessible quality healthcare for all

- ❑ Fully staffed clinic providing no charge, basic health care in every neighborhood

Free Comprehensive health benefits with an emphasis on preventative care:

- ❑ Vision care, dental and hearing aids
- ❑ Women's health care including birth control, morning after pill, and abortion on demand
- ❑ Alternative therapies with proven medical benefit such as acupuncture and chiropractic care
- ❑ Mental health care with emphasis on counseling, not just prescribing pills

Take the profit out of medical research

- ❑ Create a publicly owned, democratically controlled organization to do medical research, widening and democratizing the current role of the National Institute for Health
- ❑ The direction of medical research to be made by elected councils of researchers, health care employees, and community members

Unite and Empower Healthcare Workers

- ❑ Create an industry-wide union of healthcare workers to include every worker in a hospital from the janitor to the surgeon
- ❑ Improve working conditions for healthcare workers: wages, shift lengths, nurse-to-patient ratios
- ❑ Free medical education: Nurses, technicians and doctors to serve the public without decades of debt
- ❑ An independent worker or labor party to strengthen the power of working people, the unions and community organizations

The Environment and our Future

- ❑ Bring the entire economy under the democratic control of working people so that everything produced by the economy takes into consideration its impact on human health and the environment

Paying the tab for Universal Healthcare

#1 Cut out the Insurance industry.....\$286 billion
 #2 Cut out Healthcare industry Profits...\$198 billion
Total savings\$484 billion
= Enough to pay for health coverage for 50 million people



Join our fight against the profit system

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No Patient Left Behind

Business as usual for the mentally ill in America is to neglect and incarcerate. This is in stark contrast to the attention given to selling the behavior modifying medications of the pharmaceutical industry.

Federal funding for mental institutions was drastically cut in the 1980's, causing increasing numbers of mentally ill people to be thrown out on the streets into homelessness and then often into jail.

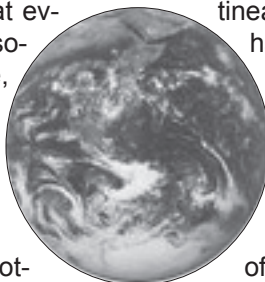
According to Bureau of Justice and Department of Health statistics, the number of mentally ill persons in psychiatric hospitals went from 592,000 in 1950 to 71,619 in 1994. At the same time, prison inmates with serious mental illness in 1999 grew to 283,000. Medicating the mentally ill with drugs rather than providing assistance and shelter, has effectively criminalized those who cannot afford the prescribed treatment, and diverted society's resources towards incarceration.

The fierce competition for work; fear and anxiety caused by economic insecurity; social isolation; the trauma of war, all contribute to the increasing levels of stress in America, undermining the mental welfare of all working people. The message of the corporations and the rich is for everyone to take care of themselves and to treat our problems by buying pharmaceuticals.

Why we're against Capitalism

We are against capitalism because it does not work. More than half the world's population are in want or outright starving. The United Nations Development Program estimates that everybody in the world could have access to basic social services, clean water, food, housing, health care, education, for \$80 billion per year. The seven richest people in the world have \$1.54 trillion between them. Capitalism cannot transfer the tiny fraction of the wealth of its richest few that would be necessary to provide everybody with the necessities.

But it is not only a question of taking the ill-gotten wealth of the billionaires. It is having a system which allows the working people of the world to have access to ownership and control over capital, machinery, land, water, energy



and power so that we can plan production and plan distribution throughout the world. Capitalism cannot allow this. As the Argentinean worker said last year when he and his fellow workers had occupied and were running their factory: "They are terrified of us because we are showing we can run the factory and because we can run the factory this shows we could run the country".

Capitalism does not work. Capitalism is destroying our planet. We are for a new system where working class people work together and use the resources of the world collectively to create a sustainable economy and where what is produced is equitably distributed. This is a democratic socialist system. This is what we are fighting for. Contact us and we can work together.