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Health Care Reform’s Failure: The Song Remains The Same

by Jonathan Oberlander

One Nation Uninsured: Why the U.S. Has No National Health Insurance

by Jill Quadagno

(New York: Oxford University Press, 2005), 274 pp., $28

One Nation Uninsured closes with an exhortation: “The time to act,” Jill Quadagno implores, “is now” (p. 213). Readers who have just finished this book may well need such a pick-me-up, for as Quadagno vividly recounts, the history of U.S. health care reform is replete with failure. The fight over national health insurance has lasted almost a century and has generally been a one-sided contest that reformers have perennially lost (the 1965 legislation that created Medicare and Medicaid is an important exception). Inasmuch as history offers lessons about the contemporary prospects for health reform, optimism is not one of them. Still, that history is well worth knowing, both to appreciate what forces have stymied previous reform efforts and to understand the origins of the current system and its bewildering arrangements for insuring, paying for, and delivering medical care.

Why, then, has national health insurance failed in the United States? Quadagno’s new book, a brief history of U.S. health policy in the twentieth century, offers a straightforward answer: Powerful stakeholders, initially physicians and later the insurance industry and business groups, have killed reform at virtually every turn. Against the backdrop of U.S. political history, she colorfully details how the American Medical Association (AMA) organized public relations and lobbying campaigns against reform proposals during the Roosevelt and Truman administrations, exploiting fears of socialism and socialized medicine while marshalling like-minded allies with coincident interests and ideology.

When the AMA’s political influence waned, the insurance industry stepped into the role of obstructionist (ably played as well by the small-business lobby) and helped beat back the Clinton plan in 1993–94 with a blizzard of misleading ads and orchestrated lobbying efforts. “Harry and Louise” proved, in the end, too much for Bill and Hillary, continuing a century-long run of interest groups triumphing over would-be reformers. Each defeat of government action, Quadagno argues, entrenched private alternatives, including the advance of private insurance and subsequently, managed care.

Quadagno is a skilled writer, and despite its broad historical scope, One Nation Uninsured is highly accessible and a good candidate for classroom adoption. Quadagno draws effectively on research from historical archives, oral histories, and secondary sources and incorporates a number of intriguing vignettes that keep the story moving. For example, she discloses the Eisenhower administration’s frustration in trying to advance a reinsurance proposal with the AMA, punctuated by President Eisenhower’s conclusion that the group’s leadership was “just plain stupid…a little group of reactionary men dead set against any change” (p. 46). Here and elsewhere (including a chapter on civil rights and health care) Quadagno fills in memorable details in the history of health reform. She is also strong in depicting

Jonathan Oberlander (oberland@med.unc.edu) is associate professor of social medicine at the University of North Carolina–Chapel Hill and author of The Political Life of Medicare (University of Chicago Press, 2003).
the once-prominent role of organized labor in health politics; the AFL-CIO's mobilization of seniors helped balance the scales during the battle with the AMA over Medicare.

In a book that spans so much history and so many issues in so few pages, it is inevitable that some subjects get short shrift; in part because of Quadagno's focus on national health politics, Medicaid and state-led reform efforts receive less attention than warranted. The book also could have benefited from comparative analysis, which would have shown that stakeholders opposed national health insurance in other countries, although with less success than their U.S. counterparts, raising questions about the author's main argument. Finally, there is not much contemporary payoff to the historical journey, with scant space devoted to analyzing the strategic lessons that can be drawn from reformers' persistent defeats; a suggested list of reforms largely tracks the 2004 presidential platform of Democratic candidate John Kerry.

Indeed, the main outlines of Quadagno's story are already familiar to those who have read Paul Starr, Colin Gordon, and others. Ultimately, One Nation Uninsured does not break much new ground in its argument or main narrative. The argument that interest groups have killed health reform is an old one. More problematically, although it self-evidently captures an important truth about U.S. health politics, it does not work as an explanation in every instance.

Take the health reform debates during 1970–1975, arguably the period when the United States has come closest to enacting national health insurance. AMA influence, shaken by the enactment of Medicare, the fallout from the nation's first cost crisis, and challenges to professional sovereignty, had waned substantially by then, and the insurance industry was not yet the potent political force that the Clintons would run into. National health insurance was instead felled by a combination of bad luck (perhaps if President Richard Nixon had not been replaced by Vice President Gerald Ford, things would have turned out differently); political miscalculation (organized labor and its allies bet, wrongly as it turned out, that by waiting for the 1974 election results, they would gain a political environment more conducive to liberal reforms) and fragmentation of the reform coalition (between those favoring a single-payer system and those favoring employer-based solutions); and the conservative turn in U.S. politics (triggered by the Vietnam War, a loss of faith in government, and economic stagflation).

Moreover, reformers have long had to confront another potent barrier: public indifference. How do you sell expanding health insurance (and paying for it) to Americans who already are covered? One reason that those with a stake in maintaining the status quo have been able to shake public support for particular reforms is that the status quo does not seem like a bad fallback option for the comfortably insured. Unless reformers figure out how to craft messages and reform plans that reach this group, or until the comfortably insured find their own health security greatly eroded (a real possibility, given current trends that promote underinsurance in the name of consumerism), universal coverage proposals are unlikely to make much headway.

After all, Americans have long demonstrated the ability to go on unperturbed by the plight of the uninsured in their midst; the time to act has passed them by, over and over again.

“Until the comfortably insured find their own health security greatly eroded, universal coverage proposals are unlikely to make much headway.”