

Insurance, business lobbies declare war on HMO reforms

by Linda Everett

Two of the most powerful lobbies in the nation are in a frenzied mobilization against the last chance Americans have in this Congress to pass patients' rights legislation that promises to rein in mass murderous policies of managed-care organizations. The Health Benefits Coalition, an unholy alliance of the Wall Street- and London-based financial oligarchy's health insurance and managed-care industry, and its free-market business trade organizations, such as the U.S. Chamber of Commerce and the National Association of Manufacturers, have declared war against any attempts by Congress to pass the Norwood-Dingell bill, known as the Bipartisan Consensus Managed Care Improvement Act of 1999 (H.R. 2723).

The Norwood-Dingell bill—after its sponsors, Charles Norwood (R-Ga.) and John Dingell (D-Mich.)—has generated a broad base of bipartisan and grass-roots support (see box), and would, for the first time, make managed-care plans and insurers legally liable for their decisions to wrongly deny or delay needed medical treatment (see “Congress Faces HMO Showdown over New Bipartisan Patients' Rights Bill,” *EIR*, Sept. 3, 1999). Democratic Presidential pre-candidate Lyndon LaRouche has indicted such managed-care policies that result in loss of life and limb, as constituting crimes against humanity.

Managed care has nothing to do with providing for the health-care needs of the nation; rather, it's simply the London-Wall Street gang's gameplan to loot the health-care delivery system, just like they are doing, through deregulation and privatization, to a host of critical industries and infrastructure throughout the country. Any employer, large or small, who defends the post-industrial managed-care policy and its Nazi outlook—that the murder and maiming of a nation's citizenry is acceptable if it “cuts costs”—are cutting their own throats (see “General Welfare Is Being Trampled by HMO Human Rights Violations,” *EIR*, Aug. 13, 1999). Managed care is a travesty that must be eliminated. And, within the context of LaRouche's New Bretton Woods bankruptcy reorganization proposals, the health-care delivery system and infrastructure must be rebuilt according to general welfare standards established by the 1946 Hill-Burton Act. Until then, the Norwood-Dingell legislation may at least slow the rate of health maintenance organizations' (HMOs) crimes.

The Health Benefits Coalition was formed in 1997, as national outrage over the HMO policies was rapidly building,

and the Clinton administration put forward its Patients' Bill of Rights. Major business trade organizations, including the U.S. Chamber of Commerce, the Business Roundtable, the National Association of Manufacturers, the National Federation of Independent Business, and the ERISA Industry Committee, joined the most ruthless giants of the health insurance industry and their managed-care subsidiaries, such as Aetna-US Healthcare, Blue Cross Blue Shield, Prudential Health-Care, their trade groups, the Health Insurance Association of America, and the American Association of Health Plans, with the neo-conservative Citizens for a Sound Economy. Their aim is to do whatever is necessary to kill the Norwood-Dingell bill and any bill that would change the 1974 Employee Retirement Income Security Act (ERISA).

ERISA provides Federal protections for employee health and other benefit plans while exempting them from state insurance oversight. Unwittingly, it provided a loophole through which HMOs could deny or delay medical treatment and evade liability for the resulting injury or loss of life. So, while infants denied medical tests went blind, children denied emergency treatment lost their hands and feet to raging infection, and workers denied cardiology specialists and testing died, the HMOs responsible for those decisions got off scot-free. But, it is this ERISA protection of HMOs that the business lobby defends as “helping” millions in the workforce.

The Health Benefits Coalition and other insurance front groups have spent more than \$100 million to block any bill that would stop this needless suffering, injury, and death. Their attack ads, such as “Patient Care? or Frankenstein's Monster?,” warn against “big government health-care bills” and “government mandates.” The political action committees for the Health Insurance Association of America and the American Association of Health Plans contributed to Conservative Revolution Republicans at least three times more than what they gave to Democrats in order to stop these bills. During the 1997-98 election cycle, managed-care companies and their interest groups gave 70% of their donations to GOP candidates, who successfully blocked action in Congress, both this year and last, on the bipartisan Patients' Bill of Rights.

Scare tactics against small businesses

Now, the Health Benefits Coalition, in league with the Conservative Revolutionaries in Congress—both of which are determined to protect the existing, reprehensible managed-care policy, and even to expand it—are out to destroy the Norwood-Dingell bill through a new barrage of advertising aimed especially at millions of small business owners and employers. For instance, the Coalition lies that the Norwood-Dingell bill would allow lawsuits against employers, which would cause small employers to lose their businesses. In fact, the bill's language clearly states the opposite. Employers are not held liable unless they are medical practitioners and making a medical decision to deny a patient a specific treatment.

The opponents of managed-care reform also claim that the Norwood-Dingell bill will cause insurance premiums to rise and force employers to cancel health-care coverage for millions of people. In fact, it may cause HMOs to finally provide the care people need. Overall, HMO premiums for employee plans have already been rising fast for the last two years. Since managed care became established nationally, a million Americans are losing their insurance every year, while millions more, who are covered by HMOs, are now considered by experts to be underinsured, because they can't get the care that they or their employer paid for. In Texas, since a law was passed two years ago that allows patients to sue medically negligent HMOs, no rise in rates or in frivolous lawsuits — as the insurance industry threatens would happen — has occurred.

Globalization means no health care

From the start of the backlash against murderous HMO policies, the U.S. Chamber of Commerce threatened that, if a patients' bill of rights passed Congress, the Chamber would instruct all of its members, including its 3 million member companies, 3,000 state and local chambers, and 775 business associations, to immediately suspend their employee health plans. This is all a pretext, using HMO reforms as an excuse to eliminate health-care benefits altogether for the majority of the U.S. workforce. This would allegedly allow U.S. businesses to better "compete" globally — while collapsing living standards for the U.S. workforce, all in the name of "protecting American free enterprise."

To them, any government protection constitutes a hindrance to "competition." Yet, such protections and government standards are absolutely crucial, given the predatory "free-market" health-care policies in place. Kaiser-Permanente, for example, the oldest and once the largest HMO in the nation, now has a policy that directs its patients to bypass the 911 public emergency system, to cut their costs of ambulance use. When Kaiser patients think they need an ambulance, Kaiser's instruction gives them a toll-free number to call a dispatcher at American Medical Response. The dispatcher, who could be 1,000 miles away, decides whether the patient will get an ambulance or not. Since Kaiser pays American Medical Response a flat per-patient rate, both companies make money by denying the use of an ambulance. The policy has never been investigated for its safety by any Federal, state, or regional regulatory agency. No one knows who may have already died as a result of the policy. While Kaiser's policy may appear to cut the cost of premiums, it sets back U.S. emergency medicine. For example, it took more than a decade to establish in people's minds that dialing the 911 emergency number should be one's first response in a crisis. Now, Kaiser patients are confused and at risk of losing their lives due to an unproven system.

Another example, is when for-profit hospital cartels buy up a region's hospitals, only to shut them down. Or, when hospitals permanently shut down their emergency rooms to

AMA, patient advocates endorse Norwood-Dingell

Among the many organizations that make up the broad-based bipartisan support for the Norwood-Dingell bill are the American Medical Association, the American College of Surgeons, the American College of Obstetricians and Gynecologists, scores of state medical societies, and the Patient Access Coalition, which has 129 patient advocacy groups and medical organizations, including the American Academy of Neurology, the American College of Nuclear Physicians, the American Heart Association, the American Medical Rehabilitative Providers Association, and the American Society for Therapeutic Radiology and Oncology.

skirt Federal laws that require them to treat all emergency patients — including the indigent. The policy makes the hospital "more competitive" in rates, but sacrifices lives. Yet, there is no government oversight to determine the danger caused by the lack of emergency room care in a region. Recently, Pentagon City Hospital in Arlington, Virginia was closed by its owner, the notorious Columbia/HCA for-profit hospital cartel. Yet, the hospital was the designated disaster hospital for Reagan National Airport and the Pentagon (both of which depended on it in cases of serious air accidents, shootings, and other incidents for the last 20 years); it also served the surrounding immigrant community and 28 hotels that ring the airport.

Some 95.6% to 99.1% of all campaign funding for the key "free-market" extremists in Congress who are leading the opposition to the Norwood-Dingell bill, comes from major business PACs. Among the big recipients of such largesse are House Speaker Dennis Hastert (Ill.), House Whip Tom DeLay (Tex.), John Shadegg (Ariz.), and Tom Coburn (Okla.). Last year, Shadegg and Coburn crafted their "ultimate patient protection plan" as a "free-market health-care plan," in which the goal was to eliminate the role of employers in the health-care system altogether. On Sept. 9, they introduced the Shadegg-Coburn alternative to the Norwood-Dingell bill. Characterized by most patient advocates as "disastrous," it would effectively overturn laws in Texas and Georgia that now allow patients or their survivors to sue negligent HMOs. Under their bill, should an HMO be sued because a patient died or suffered significant injury due to a managed-care plan's denial of care, the HMO itself would not be held liable, but only the HMO's clerk who, following HMO rules, refused to allow the patient's treatment! Clearly, the bill protects the insurers and their managed-care subsidiaries — not patients. Yet, the Health Benefits Coalition opposes even that as well.