

Ban HMOs! Don't Tolerate Nazi 'Managed Care' Atrocities

by Marcia Merry Baker

On Dec. 29, 1973, President Richard Nixon signed into law the Health Maintenance Organization and Resources Development Act, which for the first time authorized, and encouraged, HMOs and practices known as "managed care," as the law of the land. Over the ensuing decades, this policy undermined the U.S. hospital and medical care delivery system, and directly and indirectly caused injury and death to millions.

During the process, select private interests made multitrillion-dollar profits out of the destructive "managed care" system. Today, the United States has a record number of citizens enrolled in HMOs (Figure 1), and also a record number of citizens—over 44 millions—with *no health insurance* at all. Diseases which had been all but conquered, including tuberculosis, are on the come-back, and the killer HIV-AIDS is spreading. The United States has lost 1,000 hospitals in the last 20 years; and the number of community hospital beds has fallen from 1.5 million in the 1970s, down to 830,000. The current U.S. hospital base could not even cope with the annual influenza season in January this year, let alone a catastrophe or epidemic.

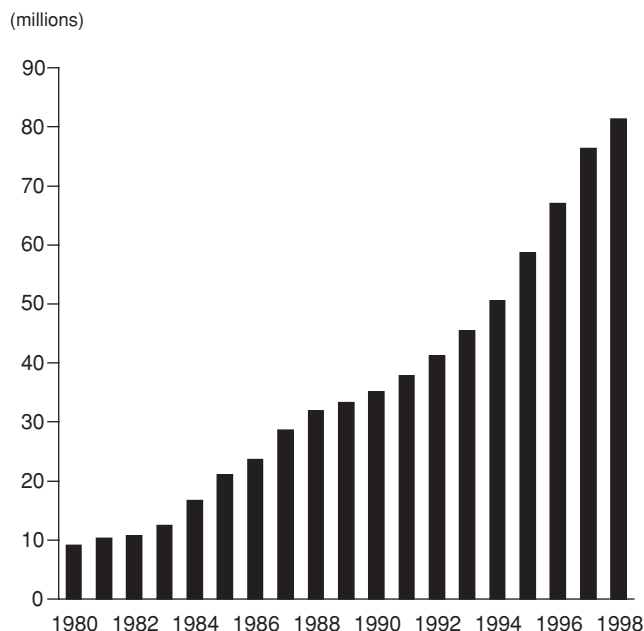
Think About It

Was the 1973 HMO Act just mass collective "misjudgment" on the part of the lawmakers who passed it? Was it just inattention on the part of the American public that stood by and tolerated it? In part, yes. But that makes today's situation all the more urgent.

It's time to ban HMOs and *overturn the thinking* that condoned "managed care" in the first place. Indeed, there are those responsible for the 1970s HMO and other key policy acts, who knew quite well what atrocities would result. The late 1960s and early 1970s were the turning point into the so-called "post-industrial society," which marks the downturn into the collapse we face today in the United States and internationally. Now is the time to force fundamental change.

In April, Lyndon LaRouche's Presidential campaign called for such an initiative. In the first week in May, LaRouche's Committee for a New Bretton Woods released a mass-circulation 16-page pamphlet, titled "Ban the HMOs Now! Before They Get You and Yours." The LaRouche cam-

FIGURE 1
Enrollment in Managed Care Plans—HMOs, PPOs, and others,* 1980-98



*HMOs, Health Maintenance Organizations; PPOs, Preferred Provider Organization; and other variants of managed care plans are also included in the statistics.

paing also endorses draft legislation to ban HMOs, called the “Right to High-Quality Health Care Act” (published in last week’s *EIR*).

The Hill-Burton Principle

The draft Act calls for a return to the *prior policy*, adopted during the 1940s to 1960s, known as the Hill-Burton approach, in which facilities and care were deliberately built up, with the goal of providing access to care to all citizens, as a public good. The name comes from a 1946 law, the Hospital Construction Act, sponsored by Sens. Harold Burton (R-Ohio) and Lister Hill (D-Ala.).

During the period that the Hill-Burton law was in effect, from 1947 to 1975 (it is now on the books in a limited way), the ratio of licensed hospital beds (meaning, up to current standard) went from none at all for many counties, to in the range of 4.5 per person. Many rural areas had hospitals for the first time ever. On the eve of World War II, there were no hospitals at all in 1,282 of the 3,076 counties in the United States. But by the early 1970s, all had facilities of some kind. Half of the new construction projects were 50-bed hospitals built in towns with fewer than 10,000 people; the idea was that they would grow with the population and the economy.

In 1954, amendments to the Hill-Burton Act authorized funds for chronic care facilities. In 1956, the Health Research Act authorized increased funding for research against major diseases. In 1954, began mass administration of Dr. Jonas Salk’s polio vaccine. In 1963, the anti-measles vaccine was developed.

Thanks to these efforts, tuberculosis, a marker for general public health, declined from a peak of 137,000 new cases in 1948, to 55,500 cases in 1960; pertussis (whooping cough) declined from a peak of 156,000 cases in 1947, to 14,800 in 1960; and diphtheria declined from 18,700 cases in 1945, to 900 cases in 1960.

In 1965, the Medicare and Medicaid programs were begun. They mandated that states provide children with Early Periodic Screening, Diagnostics, and Treatment, to prevent disabilities and control transmissible illness. At the same time, drawing on wartime experience, plans were formed to establish a nationwide regionalized system of trauma care centers, to ensure life-saving care to those who sustained massive critical injuries.

The 1965 Civil Rights Act outlawed the last vestiges of the Jim Crow, “separate-but-equal” practices in health care and other services.

How was it all paid for “back then”? The presumption was—and it was sound—that if the economy was generally growing in the right way, with growth in both physical output potential (industry, agriculture, infrastructure) and in essential social services (science, education, health care, culture), then the tax base, and real purchasing power of the citizenry, plus philanthropy, community efforts, and other features of the traditional American System, would support necessities.

The guiding principle was not “socialized medicine,” but

rather, the *American System style of universal care*. The Hill-Burton Act mandated states to “afford the necessary physical facilities for furnishing adequate hospital, clinic, and similar services to all their people.” A mobilization was undertaken. Go into any Hill-Burton-era hospital, be it a county, religious, or private institution, and read the “Donated by . . .” plaques on the wall. The work of local women’s clubs, civic and fraternal societies, private patrons, county bond issues, and so on, is acknowledged.

Then, the shift came. Now, hundreds of these same community assets, built up over decades, have been bought up—often for a nickel-on-the-dollar—stripped down, and closed. It has been *privatization* in action. The 1973 HMO law, and subsequent legislation, *deregulated hospital care, and opened it up for looting*. All manner of ways to restrict and deny care were approved. The destruction of medical care was deliberate.

The 1970s Shift

The 1973 Act was an integral element of a complex of new U.S. laws and policy changes in the late 1960s and early 1970s, that *reversed the historical commitment of the United States to economic development and improvements in the General Welfare*. This was so in both domestic and international affairs.

During the Nixon Administration (1968-74), a grouping of individuals interconnected with Wall Street and City of London financial circles, succeeded in perpetrating these sweeping changes. The principal culprits range from Democrat Sen. Patrick Moynihan, to Republicans Elliot Richardson and Henry Kissinger. (A forthcoming issue of *EIR* will provide a dossier and history of this critical turning point.)

To begin with, sovereign national control over currency stability was ended. In August 1971, the dollar was taken off a set-relationship to gold and other currencies, and the era of floating exchange rates, off-shore dollars, and increasing financial instability and speculation, began.

In December 1971, domestic “wage-price controls” were initiated, in the name of austerity and combatting inflation. Infrastructure investment was slashed. Plans for “workfare” for the unemployed and welfare populations were drawn up. In 1972, hospitals receiving Hill-Burton funds were officially released (as of 20 years hence) from the obligation to care for the indigent. And so it went.

The rhetoric of the period was to “contain costs,” ration “scarce resources,” and restrict care. Categories of “not-to-be-cared-for” people were created de facto, especially among the poor, elderly, and non-white sections of the American population. These policies are identical, in principle, to Hitler’s policy of defining categories of “useless eaters,” and “lives not worthy to be lived.”

The timelines provided in this section, document this HMO Nazi process in the United States. The companion list of who in Congress supports HMOs, is provided in order to get these people out of office, fast.