8. POLICY POSITIONS

PEPPER COMMISSION RECOMMENDATIONS

Background

While the United States has the most technologically advanced health care system in the world, soaring health care cost, increasing health insurance premiums, and shifting power structures in the managerial and provider sectors of the health care industry have profoundly affected the overall health care environments.

Steady increases in health care spending have paralleled steady increases in the proportion of uninsured individuals. Millions cannot afford basic health care and at least an additional twenty percent are "underinsured," whereby a major illness would cause financial ruin. Health benefits for many insured workers have been eroded, while many other employers no longer offer any health care benefits.

Cost containment measures developed on the state and federal level to combat spiraling health care costs have resulted in twenty-three percent of the health care dollars covering administrative costs, compared to thirteen percent in Canada and eight percent in Great Britain. Further piecemeal reforms may not effectively address these critical concerns. Major system-wide reforms may be required at the federal level. The increase in cost and the decline in access to care are not separate issues, by rather interconnected facets of the same problem.

Many public opinion polls have found that Americans overwhelmingly favor a national health care plan providing universal comprehensive care, regardless of ability to pay, although the implementation of such a plan might necessitate tax increases. A Harris poll in February 1989 found that fifty-five percent of Canadians were satisfied with their current health care system, compared with six percent of Americans. Another large study of physicians found that fifty-six percent support a national health plan.
The Pepper Commission proposes a public-private plan to achieve universal access to care. Most employers would be required to make a choice: provide their workers with private health coverage or contribute toward the costs of their coverage through a new government health program. The government program would be available to cover the self-employed and non-workers, too. Under a five-year phase-in, the first to be covered would be small children and pregnant women. The government would help small businesses buy private insurance. Individuals, except those with low income, would contribute toward the cost of premiums and care.

New federally funded, state-run insurance would cover home care and the first three months of nursing home care for the severely disabled (60 percent of whom are 65 and over). Those who stayed beyond three months would be given enhanced protection for income and assets (over current Medicaid levels) during their entire stay, to prevent impoverishment. This program would replace Medicaid.

Recommendation

The Southern Legislative Conference urges the appropriate committees of Congress to hold hearings on these proposals to ensure the fullest possible discussion and provide a foundation for passage of successful legislation.

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