

Statement of Kip Sullivan, Steering Committee member, Minnesota Universal Health Care Coalition, February 23, 2004

Our purpose in holding this news conference is twofold. Our primary purpose is to call attention to the fact that the Minnesota Citizens Forum on Health Care Costs has badly misrepresented some of the feedback it got from the public, namely, the great volume of feedback it got in favor of a single-payer or Medicare-for-all-style health care system, and in favor of government action to reduce drug prices. Support for single-payer and action on high drug prices towered over the vast, vast majority of other items raised by Minnesotans who gave their opinions to the Forum, but readers of the Forum's summaries of the feedback wouldn't know this.

The second purpose of our news conference is to raise questions about the recommendations the Forum is scheduled to release today. We believe it is highly unlikely the recommendations will lead to reduced health care costs.

We base our comments on the two documents the Citizens Forum had published as of last Saturday. The first, entitled *Listening to Minnesotans: The First Step Toward Building a Better Health Care System*, was released in January in draft form. As of Saturday night, the draft version of this report was still the only one available at <http://www.mncitizensforum.org>, the Forum's Web site. The second report we rely on is the short report containing the Forum's six "preliminary recommendations" released on February 6, entitled *Listening to Minnesotans: Transforming the Minnesota Health Care System*.

The Forum solicited feedback by four methods:

- (1) via seven "town hall meetings" (the Forum actually held 13 such meetings but at six of the meetings it didn't ask for "votes" on suggestions raised at the meetings);
- (2) through a phone survey;
- (3) through an online survey; and
- (4) through unstructured e-mail comments (the title of Appendix E indicates letters were also part of this feedback, but the text in this appendix describes this feedback as exclusively e-mail).

All four feedback methods showed widespread support for single-payer (which I will describe in a moment), and deafening support for action to reduce drug prices. Yet the Forum's description of this feedback in the body of the January report (as opposed to the appendices), and in its February 6 report, is very misleading. The commentary about the single-payer feedback is misleading (a) because it says not a word about the evidence of widespread support for single-payer among the people who communicated with the Forum and, worse, (b) it implies the public *opposes* single-payer when in fact the Forum's data show just the opposite.

Similarly, all four feedback methods showed widespread outrage over drug prices. The Forum's phone survey indicated 81 percent supported government action to bring drug prices down. Yet the texts of the two reports misrepresent this outrage and fail to call attention to the support for government action to reduce drug prices, and the six preliminary recommendations say not a word about bringing drug prices down.

Before I review the feedback, let me define a single-payer system. "Single payer" is shorthand for a system with two features: (1) one insurer or payer (typically a government agency) reimburses all providers (doctors, hospitals, etc.) directly (it doesn't funnel payments through insurance companies), and (2) the one payer sets limits on how much doctors and drug companies can charge, and it sets annual budgets for hospitals. The traditional federal Medicare program is an example of a single-payer. Traditional Medicare is the sole payer for Medicare beneficiaries, it reimburses providers directly, and it sets limits on what doctors and hospitals can charge. (Thanks to restraints in the new Medicare drug law, Medicare cannot set limits on what drug companies charge.) Because so many people are familiar with Medicare, single-payer advocates often characterize their proposal as "Medicare for all."

Now let's look at the feedback on single-payer that the Forum got. Appendices B, C, D, and E of the January report describe, respectively, the four types of feedback the commission got: testimony at town hall meetings, results of a phone survey, results of an online survey, and results of unstructured email comments. Because the phone survey required yes or no answers to pre-determined questions, I'll discuss that feedback separately.

Out of more than a hundred items discussed, single-payer and drug prices ranked among the top four items listed in the three other types of feedback – the town meeting discussions, the online survey, and unstructured e-mail. Specifically,

- * "single-payer" was the third most-often mentioned item at the town meetings out of 122 items discussed, while "drug pricing" ranked second;

- * "single-payer" was the fourth most-often mentioned item on the online survey out of 44 "areas presenting the most opportunity for change" participants could have checked off, while "drug pricing" ranked number 1;

- * "single-payer" took second place in the e-mail commentary out of 58 comments submitted, while "cost of Rx drugs" ranked fourth.

If you will turn to the appendices in your packets, you will see that single-payer and high drug prices not only ranked high, but the numbers of people who supported single-payer and who identified drug prices as a problem were huge compared to nearly all the rest of the subjects under discussion. Look first at Appendix B in your packet. That appendix is a condensation of the Forum's original Appendix B summarizing the town hall meeting testimony (the original Appendix B takes up ten pages). It lists the top ten issues that participants voted on. You see that "drug pricing" ranked second with 72

“votes,” and “single-payer” ranked third with 68. There were a total of 122 items voted on, and of these 85 were in single digits. That gives you some idea of the large scale of support for single-payer and for addressing high drug prices.

Appendices D (the online survey) and E (e-mail input) are much easier to read, and so we’ve presented them in the form in which they originally appeared in the Forum’s January report. You can see from Appendix D that “drug pricing” ranked number 1 in the online survey, and “single-payer” number 4. You can see from Appendix E that “single-payer” ranked second in the e-mail input and “cost of Rx drugs” ranked fourth. As was the case in the town hall meetings, the level of support for single-payer and drug-price reduction was enormous in the online survey and e-mail commentary compared with the great majority of other items.

Now let’s turn to the fourth category of feedback – the phone survey results. They appear in Appendix C. The Forum didn’t ask respondents explicitly about their support for a single-payer system or for government controls on drug prices. Instead, the Forum posed questions about systems that resembled single-payer, and they asked if respondents wanted government to “do something” to reduce drug prices. When respondents were asked, “Which would you prefer: A universal system where the government insures that everyone has health coverage; or a private system that relies on individuals and employers to provide for their own health care needs?” 56 percent chose the first option, which resembles a single-payer. In a longer appendix on this survey, the Forum noted that an ABCNews Poll found even higher support for the first option among Americans (62 percent) when the phrase “like Medicare” was inserted into the question to describe the first option (p. 22).

The strangest question in the Forum’s phone survey was this one: “If you had to choose, which of the following approaches to universal health care would you prefer? A system completely run by the government; or a system where government insures that everyone has health insurance coverage, but the health care industry would remain in the private sector?” This was a loaded and useless question. No one is proposing a system “completely run by the government.” The second option is very similar to the Medicare-for-all system single-payer advocates propose (especially if “health care industry” is construed to mean providers but not insurers). That option drew 82 percent of the vote.

These majority votes for systems that sound a lot like single-payer are not surprising. As you can see from Appendix A, polls and focus groups have repeatedly shown that majorities of Americans and Minnesotans support a single-payer program.

One last comment on the phone survey results in Appendix C: A whopping 81 percent said “government should do something to reduce prices of prescription drugs.”

So, to sum up, we may say that the town hall meeting feedback, the online survey, and the e-mail feedback listed single-payer and action on high drug prices among Minnesotans’ top four priorities. And we may say that the phone survey revealed that a

majority of Minnesotans support a universal health insurance program that closely resembles a single-payer program.

But you will not find anything resembling such a statement in the bodies of either of the two Forum reports published as of Saturday. What you find about single-payer is terribly misleading. What you find about support for government action to reduce drug prices is only slightly less so.

Here are the primary sources of confusion sown by the Forum about the single-payer feedback:

“The vast majority of Minnesotans believe that everyone should have access to basic health care services, but most do not support a government-run health care system.” (January report, unnumbered p. 3).

“People want to be given a wide array of choices of health plans and providers. They do not want a one-size-fits-all approach.” (Ibid)

“The polarized political debate between a ‘single-payer’ government health insurance plan and a private, market-based health care system continues, in the mean time nothing changes and we slip deeper into the health care crisis. . . . We found that almost all Minnesotans agree on two fundamental principles: (1) they want a universal system where everyone gets the health care they need; and (2) they want a private sector health care system that offers as much choice as possible.” (February 6 report, p. 3).

The implication of this last statement is that the Forum discovered, after talking to Minnesotans, that single-payer is supported only by a few diehards at the margins of society. That is a brazenly false statement.

The Citizens Forum misrepresented the outrage over drug prices by stating that the anger was about “*variation* in drug prices” rather than *high* drug prices, and the Forum failed to mention in the bodies of its reports the public’s interest in government action to reduce drug prices (not “*variation*” in drug prices) (January report, unnumbered p 2).

Given the Forum’s obvious distortions of its findings about support for single-payer and government action to reduce drug prices, it is no surprise that the Forum’s February 6 report on solutions to the health care crisis is totally devoid of any discussion of single-payer or government action to control drug prices. Instead, the Forum proposed six recommendations, some of them so vague as to defy interpretation, that will almost certainly do little to reduce health care costs and may well increase them. The Forum appears to think that costs will drop if four things happen: Minnesotans become aggressive shoppers for health insurance and health care; quality is improved in some as-yet-to-be-described way; patients and doctors are given some unspecified incentives to “encourage health”; and administrative costs are reduced through “streamlining and standardizing administrative procedures and government regulations.” In their

preliminary form, there is nothing new in these recommendations. Experts, particularly managed-care advocates, have been talking about them for decades with little in the way of cost reduction to show for it.

We call on the Citizens Forum to correct its misrepresentations of the feedback it got about single-payer and government action to reduce drug prices, and to incorporate this feedback into its recommendations.

Appendix A: Citizen juries and polls show Americans support single-payer

	<u>Single-payer</u>	<u>Managed care</u>	<u>MSAs</u>
Jefferson Center jury: No. of jury (of 24) who supported . . .	17	5	na
Star Tribune-KTCA jury: No. of jury (of 14) who supported . . .	8.5	3.5	0*

* One citizen voted for a hybrid of single-payer and managed care. There were two abstentions. Sources: national citizen jury results reported in: Patrick Howe, “‘Citizens Jury’ supports Wellstone’s health care proposal over Clinton plan,” *Star Tribune*, October 15, 1993, 10A; Jefferson Center, *Citizens Jury Update*, December 1993; and Barry M. Casper, *Lost in Washington: Finding the Way Back to Democracy in America*, University of Massachusetts Press, Amherst, MA, 2000, 235; Minnesota citizen jury results reported in Glenn Howatt, “Canadian-style care starting to look more attractive to panelists,” *Star Tribune*, October 9, 1996, A15.

	<u>For single-payer</u>	<u>Opposed to single-payer</u>
Harvard University poll (1988)	61%	37%
<i>Wall Street Journal</i> -NBC poll (1991)	69%	20%
CBS- <i>New York Times</i> poll (1993)	59%	not asked
<i>NEJM</i> poll (medical school faculty and students) (1999)	57%	not asked
ABC News poll (2003)	62%	not asked
<i>Arch Int Med</i> poll (doctors) (2004)	64%	not asked

Sources: Robert J. Blendon, “Three systems: A comparative survey,” *Health Management Quarterly* 1989;11(1):2-10, Exhibit 5, 5 (Harvard poll); *Wall Street Journal*, June 28, 1991, A4 (*Wall Street Journal*-NBC poll); *American Health Line* April 19, 1993 (CBS-*New York Times* poll); Steven R. Simon et al., “Views of managed care: A survey of students, residents, faculty, and deans of medical schools in the United States,” *New England Journal of Medicine* 1999;340:928-936, 929 (*NEJM* medical school poll); Minnesota Citizens Forum, *Minnesota Health Care Opinion Poll Study*, <http://www.mncitizensforum.org>, 21, accessed February 20, 2004 (ABC News poll); and Danny McCormick et al., “Single-payer national health insurance: Physicians’ views,” *Archives of Internal Medicine* 2004;164:300-304 (*Arch Int Med* physician poll).

Appendix B: The top ten issues identified by town hall meeting participants out of 122 listed

<u>Issue</u>	<u>Number of votes</u>
(1) Early intervention	76
(2) Drug pricing	72
(3) Single-payer (+ “single plan”)	68 (4)*
(4) Administrative costs (+ “duplication in administration”)	67 (2)*
(5) Universal (coverage, care, or insurance)	57 (3)*
(6) Consumer-driven health care	38
(7) National health plan for everyone	31
Purchasing pools	31 (2)*
(9) Lawsuits, malpractice insurance, tort reform	27
(10) Evidence-based medicine	26

* The Forum listed a number of nearly identical issues separately in the original Appendix B. The table above collapses those items that share the same words, or in the case of “administrative” and “administration,” words with the same roots. For example, the Forum listed four different titles with the phrase “single-payer” and, in one case, “single insurance plan for Minnesota.” These four items are consolidated into one in this table. Similarly, two items with “purchasing pools” in their titles in the Forum’s report are consolidated into one item in this table. Items were not consolidated if they did not share identical words or roots of words. So, for example, three issues with “universal” in the title were consolidated, but issues with nearly identical titles, such as “national health plan for everyone,” were kept separate because “universal” did not appear in the title of those items. The numbers in parentheses indicate the number of items in the original Appendix B which were consolidated into one item in this table.
