

## WA State Health Care Wellness Committee

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On Friday, Feb 1, 2013, the WA State Health Care Wellness Committee, with all 9 Democrat and 3 of 8 Republican Representatives attending, listened to public testimony concerning House Bill 1085. The SB 5224 is the companion bill in the Senate cosponsored by Senator Bob Hasagawa. These bills are derived from Vermont's Green Mountain Care legislation and will provide single payer health care for all Washington residents. They implement provisions of the Patient Protection and Affordable Care Act, AKA Obama Care. [Washington Health Security Trust](#) is supporting passage of these bills and solicit your participation.

Beginning in 2014, under the federal Patient Protection and Affordable Care Act (PPACA), all U.S. citizens and legal residents will be required to have health insurance coverage or pay a tax penalty. PPACA gives states the option to expand their Medicare programs to cover individuals up to 133 percent of the federal poverty level. Further details of HB 1085 are provided in the [Bill Analysis](#).



24 people spoke in favor of HB 1085 and one person representing a health insurance companies spoke against the bill.

The testimony was emotional and riveting. Several people told of relatives who could not afford health insurance with devastating results. A corporate owner reported on his yearly increase in health insurance premiums for his employees but when a claim was filed the next year's increase was 60%.

Health care reform has a 70% approval rating among Americans. Currently health care costs 18% of the Gross Domestic Product in the US. Elsewhere the cost is 10%. Implementation of Single Payer Health Care would save \$1 Trillion/year!

If passed a citizen could present his/her SSN and tax return to enroll with a health care provider.

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The 11<sup>th</sup> Legislative District Democrat's 2011 Chair, Martha Koester spoke to the committee:



## Testimony Regarding HB 1085 to Establish Single Payer Health Care in the State of Washington

*Submitted by Martha Koester, PhD, Board Member, Health Care for All – Washington*

I currently reside in the 34<sup>th</sup> legislative district, and I advocate that the state legislature pass HB 1085/SB 5224 to implement single payer health care in Washington State.

Laws and budgets reflect our moral values as citizens. Our civic values are rooted in the traditional idea that we are all created equal, and that we institute governments to protect life, liberty and the pursuit of happiness. The very concept of for-profit health insurance flatly contradicts these values. Insuring cars is morally acceptable because cars are objects designed for human use, as is making the decision to avoid investing in collision insurance for your older car. It can never be right to treat other human beings as objects for our use—who wants to volunteer to be the human equivalent of a beater car? Yet this is what insurance companies currently do—serve as arbiters of who does and who does not deserve to be treated as a worthy human being in the area of health care.

From an economic standpoint, a comparatively small number of people use most health care dollars, just as a fairly small number of people directly use the dollars we appropriate for fire departments. (And does anyone think that competing fire departments would deliver better and cheaper fire protection?) In every age demographic, 5% of that demographic accounts for 50% of all health costs, and 15% for 85% of all costs. Insurance companies exist solely to divert money paid by the relatively healthy 85% away from paying for the health care of the sick minority. That is why in Massachusetts (after four years of the health care reform on which the Affordable Care Act was modeled) medical bankruptcies are still at 50% of all bankruptcies, albeit down from 59%. As with medical bankruptcy throughout the country, 70% or more of these families **had insurance**. Though overpriced underinsurance is the norm there, there is little public outcry from the healthy 85%, who have purchased the illusion that they will get health care if anything serious happens to them.

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Thankfully the ACA will eliminate denial of insurance for pre-existing conditions, but unfortunately it still reinforces unacceptable moral values—namely that it is OK to divide our population into Platinum, Gold, Silver and Bronze categories. Presuming that you can even afford to be more than Bronze person, how can you know what insurance level you might need in the future? The opinions of the healthy 85% as to the potential usefulness of their health insurance are worth what their opinions about how good their fire extinguishers are—that is to say, not a lot.

And how sustainable will the insurance exchanges be? To quote a paper put out in November 2010 (attached) by the Washington State Health Care Authority, "the Exchange would need to act on behalf of a critical mass of people....at least 20 percent of the insured population **that does not already receive Medicaid or Medicare**. Only a pool of this size could attract serious bids from insurers. To amass such a large purchasing pool, Congress might need to require that all government employees, or all employers with fewer than 100 employees, join the pool."

It is not likely that this level of participation can be attained unless we forgo participating in the Federal Basic Health Option, provisions for which were specifically added to ACA by Senator Cantwell precisely so that WA State could keep its Basic Health Program. Recall also that family income has been declining since 2000 and that the "new normal" level of unemployment is around 8% (a number which itself vastly underestimates actual unemployment), making many more people eligible for expanded Medicaid. In addition, retirees on Medicare are growing in number. Neither of these populations will be in the exchanges.

Very aggressive advertising will be necessary to inform people of the options in the exchange. There will be federal funding for this, to the tune of about \$120 million—not a single dime of which will be used to pay for actual health care. More federal money will be used to fund operations until 2015. After that, these administrative costs will be downloaded to Washington State taxpayers through new fees assessed on the health policies sold through the exchange. Adding even more fees to overpriced underinsurance is going to be extremely unpopular.

Advocates of single payer health care are divided on the issue of whether the ACA leads toward or away from single payer. I think that it leads toward, and that the Washington State legislature should continue implementing the exchanges, full speed ahead. For one thing, the federal subsidies, while they last, will make the exchanges temporarily viable, and that will help at least some people. For another, the experience gained by the health care board members working on the exchanges can be then directly transferred to implementing single payer at the state level. This will actually be vastly easier administratively, however more difficult politically.

A final note to the inevitable whiners about a "government takeover of health care"—the government took over my health care when I turned 65, and I couldn't be happier. I would gladly join most other Medicare enrollees in making those who would force us into a voucher program pay a very serious political price for doing that. Medicare as it is lacks the cost controls that could be achieved by global budgeting and drug price negotiations, but even so traditional Medicare still much cheaper to administer than Medicare Advantage (which is for the most part a huge rip-off of taxpayers by private

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insurance companies), and its costs are rising far more slowly. (Some members of Congress are currently proposing changing the Medicare eligibility age to save money. I say go for it -- change it to ZERO!)

Every other developed country in the world has universal health care, at a per capita cost half of what we pay here. What we get for paying twice as much is 40,000+ people per year dying because they can't afford health care, massive levels of medical bankruptcy, and health statistics that are among the worst in the developed world. How long are we going to let a single industry parasitize all other industries (and government bodies at all levels to boot), thus unnecessarily weakening our economy? **EVERYBODY IN! NOBODY OUT!**