

A History of Single Payer Health Care in the United States

J.J. Summerell

Introduction

Since the early part of the twentieth century various organizations and politicians have tried to pursue legislation for a single payer health care system in the United States. The private market has grown during that time to cover over 175 million Americans through our employer sponsored system and another 25 million with individual coverage. However, there are still 35 million to 50 million Americans (depending on who is doing the counting) today without insurance. The single payer lobby has been hard at work for the past 60 years, and especially the last 20 years, building their case for such a system. With the 2008, 2010 and 2012 elections looming, single payer seems more probable than ever.

Presidential Efforts

Efforts to enact a single payer system in the United States date back to Franklin Roosevelt. When devising Social Security he originally proposed a comprehensive system of nationalized health care along the single payer model. Truman also made attempts to bring single payer legislation through Congress but was defeated in 1953. Lyndon Johnson had a plan to insure all Americans via a single payer system. He originally proposed Medicare and Medicaid to cover everyone, but had to scale back his proposal because of political opposition. Richard Nixon did not propose a single payer system, but did propose mandates that required all employers to provide coverage. Most recently, the Health Security Act of 1992 followed Bill Clinton's campaign rhetoric of "managed competition." Though he rejected the idea that this proposal was a single payer model, most who actually read the legislation referred to it as "single payer in drag!" Barack Obama has said, "I happen to be a proponent of a single-payer, universal health care plan...that's what I'd like to see. But, as all of you know, we may not get there immediately. Because first we have to take back the White House and we've got to take back the Senate and we've got to take back the Congress."* By the time you read this, he may have done just that!

Labor and Trade Organizations

Efforts to implement single payer are not relegated to politics. The American Association for Labor Legislation, in 1915, was lobbying for the concept. Under the administration of Theodore Roosevelt, the American Medical Association (yes, the AMA!) lobbied for single payer. However, the AMA today is staunchly opposed to the idea.

Some of the most powerful organizations in the country are firmly engaged trying to institute single payer. The United Auto Workers organized and funded a \$55 billion

VEBA for employees, with \$15 million earmarked for lobbying efforts for single payer. The National Education Association (referred to by Forbes magazine as the National Extortion Association for their iron-fisted techniques to have teachers and public school employees “tow the party line”) explicitly endorses and supports the idea in their position paper “Advancing National Legislative Programs.” Their 3.1 million members are being asked to lobby for a single payer system. Finally, the AFL/CIO has been pushing for single payer since its founding by Walter Reuther. The AFL/CIO boasts 10 million active members and 3 million retired members. Amongst the UAW, NEA and AFL/CIO that’s over 20 million “lobbyists!”

The Economic Incentive

The economic and financial incentives for many organizations have never been greater for endorsing such a system. In all industries competing with imports from lower wage countries, the idea of removing this expense from their wages is huge. In addition, consider the financial implications for our public schools if they could save \$500 per month, \$6,000 per year, per employee (nice round number assumption). The NEA alone has 3,100,000 members, resulting in a savings of **\$18,600,000,000** per year for our public schools. The same holds true for every state, county and municipality in the country.

But the savings are illusory. Of course, supporters of single payer would say that these savings would go toward the new taxes needed to support nationalized health care. If you believe that, I have some swamp land in North Carolina you may be interested in! It will be a gigantic money-grab. I’m afraid the political reality is somewhere in the middle, but my point remains the same: the political, economic and financial implications of removing medical costs from public institutions which do not pay taxes are HUGE.

Conclusions

The political efforts to enact single payer began before World War II and have become stronger each decade. As health premiums increase, the financial incentives for socialized health care for public employees and those in lower wage jobs increase as well. As an advocate for the private medical insurance market I think we are facing the biggest battle in our history to derail this misconception.

* 2003 AFL/CIO Civil, Human and Women’s Rights Conference

Mr. Summerell is a member of the Greensboro, NC Association of Health Underwriters and has served as Past-President of that association as well as Past-President of NCAHU. He manages Worksite Insight, LLC, a managing general agent for the leading worksite carriers. He can be reached at jsummerell@worksiteinsight.net or 888.524.7117.