

Report urges an expanded role for state in health care

By James Q. Lynch
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Broad expansion of the state's role in providing health care coverage, even up to universal coverage, would benefit not only the uninsured and underinsured but also provide a competitive advantage for Iowa businesses, according to a new report from an Eastern Iowa think tank.

However, Colin Gordon, a University of Iowa professor and author of the report, recommended Monday that Iowa lawmakers scrap the "piecemeal" approach they've used in recent years if their goal is health care coverage that is affordable, accessible and maintains a high level of quality.

"Our health care financing system does not work, and it's understandable that state legislators see a need to step in," said Gordon, a senior research consultant for the Iowa Policy Project and co-author of the report — Prescriptions and Placebos: Fixing Health Care in Iowa — for the non-partisan Iowa Fiscal Partnership. "They must be careful, however, to take a long-term view and not miss the underlying problem of spiraling health care costs." Previous efforts have encouraged employer-based coverage through tax credits, small-employer purchasing pools, mandates for large employers and other ideas, said Gordon, a historian who wrote "Dead on Arrival: The Politics of Health Care in Twentieth-Century America." On their own, these proposals represent a fragmented approach to the problem that would do little to expand coverage or increase affordability, and could actually make things worse, he said.

"I really think that trying to patch up employer-based insurance is like moving furniture into a burning house. It guarantees double-digit inflation and rising uninsurance into the future," Gordon said.

However, Andy Warren, state director of the Iowa chapter of the National Federation of Small Businesses, said his members believe those approaches are working. The best way to entice small businesses to offer their employees health care insurance is through tax credits, he said.

The small business group says incentives, rather than mandates, are a better approach to providing health care coverage, Warren said.

"Our members don't think the answer lies in more and bigger government," he said. Tax credits and small business pools have done little to expand coverage of the uninsured and underinsured or control health care costs, Gordon said in a telephone news conference. They are short-term answers, at best, he said.

A system in which coverage is more universal and employers contribute on a scale similar to current contributions would benefit not only employees and the uninsured, Gordon said, but "would be a major sort of competitive boon to American business in the long run."

Gordon's position is consistent with reformers who want to "blow up" the current health care system and replace it with a government-run program, said John Gilliland, senior vice president of the Iowa Association of Business and Industry.

"They reject any and all efforts to address problems in the current system because they want the current system to crash," Gilliland said. "We will continue to push for reforms like small-group pooling, tax incentives for small employers to provide coverage, more wellness initiatives, no added mandates and limitations on medical liability."

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Recommendations

Recommendations from Prescriptions and Placebos: Fixing Health Care in Iowa:

- Reform must expand coverage: Much reform energy is spent bandaging up existing coverage rather than reaching out to the uninsured.
- Coverage should be seamless, accessible and portable: Health coverage often hinges on access to group plans whose membership is restricted according to income, employment status or health status. Group coverage should be an option for all Iowans.
- Coverage should be affordable: It is not sufficient to make coverage available, if the costs (not just premiums but all out-of-pocket expenses) bust the budgets of working Iowans.
- Coverage should be meaningful: More expansive coverage cannot come at the expense of quality. Health coverage should include all basic services, including preventive care.