

THE BUSINESS CASE FOR NATIONAL HEALTH INSURANCE

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Ten Reasons Why Business Should Support National Health Insurance

10. NHI will reduce liability insurance & workers compensation costs.
9. NHI will eliminate the cost and headaches of running a health benefits bureaucracy, annual negotiations with insurance companies, etc.
8. NHI will eliminate complaints by employees over rising premiums and co-pays and conflicts with labor unions over benefit cuts, givebacks, etc.

Ten Reasons Why Business Should Support NHI (cont.)

7. NHI will reduce the incentive to hire part-time workers and enable them to attract better employees.
6. NHI will curb health-related bankruptcies, reduce health spending by low-income workers, and free up money for consumer spending.
5. NHI will reduce the cost of providing health benefits for those now providing coverage.
4. NHI will eliminate retiree benefit costs for those with obligations to provide coverage.

Ten Reasons Why Business Should Support NHI (cont.)

3. NHI will eliminate unfair competition from employers who don't provide insurance.
 2. NHI will reduce absenteeism and produce a healthier, more productive work force.
- And the #1 reason for National Health Insurance from a business perspective is...

Ten Reasons Why Business Should Support NHI (cont.)

1. NHI will allow health care costs to be controlled and predictable, eliminating a major source of business uncertainty and a barrier to planning.

And, oh yes, it's the right and moral thing to do.

Note on a Missing Item:

It is often argued that NHI will improve the competitive position of American business. However, health costs are part of overall labor costs, and these are comparable across all industrialized countries. It is wages, not profits, that are cut as health costs rise.

(see, for instance, Uwe E. Reinhardt, "Health Care Spending and American Competitiveness", *Health Affairs*, Winter 1989)

THE MISSING VOICES

Not since the 1980s, when Lee Iacocca supported a federal takeover of health care finance, has any major business leader* come out in support of National Health Insurance.

* One exception: Glen Barton, retired CEO of Caterpillar, now publicly advocates a single payer system.

But There is Some Support in the Business Community:

A survey of 249 finance executives conducted in late 2005 asked: “Do you think that Congress should consider creating a national health plan (that is, a single payer system)?” 32% of these CFOs said “Yes”.

Source: CFO Magazine, Feb. 15, 2006

So Why Doesn't Business Support National Health Insurance?

- Opposition by small business to additional costs
- Inability to use health as an employee benefit
- Opposition to loss of control over benefits
- Continuing ability to shift costs to employees
- Opposition to taxes
- Opposition to “big government”
- Class solidarity – support for insurance companies and pharmaceutical companies

The Diogenes* Project

- Throughout American history, forward-looking business leaders have seen that government can perform certain functions better than private business.
- We should seek out business leaders who will support National Health Insurance
- We should help them create a Business Leaders Task Force for a National Health Plan

* Diogenes: Greek philosopher, c. 400 BC. According to legend, he wandered through Athens carrying a lantern (often in broad daylight) saying he was looking for an honest man.