

# Health leaders seek consensus over uninsured

## Effort to break impasse

## Corporate, political and union interests meet in private on coverage

BY ROBERT PEAR

WASHINGTON, May 28 - At a time when Congress has been torn by partisan battles, 24 ideologically disparate leaders representing the health care industry, corporations and unions, and conservative and liberal groups have been meeting secretly for months to seek a consensus on proposals to provide coverage for the, growing number of people with no health insurance.

The participants, ranging from the liberal Families USA to the conservative Heritage Foundation and the United States Chamber of Commerce, said they had made progress in trying to overcome the ideological impasse that has stymied action on the problem for eight years.

The group, which first came together last October, has not endorsed any specific plan, but has discussed a range of options, including tax incentives for the purchase of insurance, changes in Medicaid to cover more low-income adults and the creation of insurance purchasing pools at the state level.

“This effort holds as much promise as any I’ve participated in over the last decade, probably more,” said Kate Sullivan Hare, the executive director of health care policy at the United States Chamber of Commerce.

Historically, such efforts have failed because of profound disagreements over the proper role of government. The group is far from any final agreement, but persists in seeking common ground, even as the problems of the uninsured have been eclipsed on Capitol Hill by Social Security and other issues.

The group also includes top executives from AARP, the A.F.L.-C.I.O., the American Hospital Association, the American Medical Association, America’s Health Insurance Plans, the Blue Cross and Blue Shield Association, Johnson & Johnson, the National Conference of State Legislatures, the National Governors Association, Pfizer and the Service Employees International Union.

The group’s overarching goal is to agree, by the end of this year, on proposals that expand coverage to as many people as possible as quickly as possible. By meeting in secret, the group has tried to shield itself from political pressures. Some of the proposals under discussion could lead to increases in federal spending or regulation, at a time when the government already faces large deficits and Republicans generally oppose further expansion of government.

Though federal policymakers talk little about the issue these days, the problems of the uninsured have been gaining urgency among people who provide and pay for health care, including employers.

Increasingly, business executives say, health care costs hurt the global competitiveness of American companies. “This is a crisis,” General Motors said in its latest annual report, noting that its health costs -- \$5.2 billion last year -- had “a tremendous impact” on its profitability.

The Census Bureau says that 45 million people lacked health insurance in 2003, up by 1.4 million from 2002 and by 5.2 million from 2000. The National Academy of Sciences estimates that 18,000 adults die each year because they are uninsured and cannot get proper care. The number of uninsured may rise further as states like Tennessee and Missouri cope with soaring health costs by ending Medicaid coverage for tens of thousands of low-income people.

Health policy has become a flash point of American politics, defining fundamental differences between Republicans and Democrats. The differences have widened since the collapse of the Bill Clinton's proposal for universal health insurance in 1994.

The latest quest for consensus grew out of talks between Ronald F. Pollack, the executive director of Families USA and Dr. William W. McGuire, the chairman of United Health Group, one of the nation's largest insurers.

The 24-member group takes a pragmatic approach, members said, looking for incremental steps.

"People are uninsured for different reasons," said Dr. Mary E. Frank, the president of the American Academy of Family Physicians and a participant in the talks. "No one solution will work for everyone. We need different solutions for different groups of the uninsured."

E. Neil Trautwein, assistant vice president of the National Association of Manufacturers, said the consensus group was "not biased in favor of big government solutions," and assumed that health care would continue to be provided through a mix of private insurers and public programs.

Mr. Trautwein said the talks reminded him of a medieval alchemist stirring together disparate and volatile ingredients. "It could produce some wondrous proposal, or could blow sky-high," he said.

Members of the group acknowledge that cost could constrain their ambitions. They will retain budget analysts to estimate the costs of various options, from which their final recommendations will be selected.

The group will present its recommendations to Congress and the Bush administration. Several members said they hoped to stick together and use their collective power to fight for the proposals.

The group is applying lessons learned in the battle over the Clinton health plan. Members said they were listening carefully to one another, trying to build the trust. They are not trying to remake the health care system or guarantee insurance for every American through one big program, they said.

The group is considering these options:

- The federal government could require parents to arrange health insurance for their children up to a certain age, say 21. If the children were not eligible for public programs like Medicaid, the parents could obtain tax credits to help meet the cost.
- If an employer does not offer health benefits to employees, the workers could designate amounts to be withheld from their paychecks, along with taxes. These amounts would eventually be forwarded to insurers to pay premiums.
- The federal government could provide tax credits to low-income individuals and families or small businesses to help them pay for insurance. The full amount of the credit would be sent directly to the insurer.
- Medicaid could be expanded to cover any adult with income below the official poverty level (about \$9,600 for an individual). Each state would decide for itself whether to do this, and the federal government would provide financial incentives for states to take the option.
- The federal government would offer small grants to states to help them establish insurance purchasing pools. Individuals and small businesses could buy coverage through these pools.

Asked what had prompted the initiative, Stuart M. Butler, the vice president of the conservative Heritage Foundation, said: "It's a coalition built of frustration. True believers on the left and the right have been stymied on this issue."