Wisconsin State AFL-CIO ...the voice for working families.

David Newby, President • Sara J. Rogers, Exec. Vice President • Phillip L. Neuenfeldt, Secretary-Treasurer

TO: Members of the Senate Health, Utilities, Veterans and Military Affairs Committee
FROM: David Newby, President
DATE: February 20, 2002
RE: SUPPORT FOR SB 133, WISCONSIN UNIVERSAL HEALTH PLAN

Thank you very much for the opportunity to testify this afternoon.

I am here today to call for fundamental change in our health care system. TheWisconsin State AFL-CIO has a long history of support for universal health care. Just in recent years our 1984 Convention passed a Resolution calling for Universal Health Care. I worked with former Representative Lou Fortis in 1989 on AB 476, a "pay or play" bill which would have required employers either to offer basic health insurance to their employees or pay an equivalent tax that would be used to provide health insurance to the uninsured. We were also strong supporters, along with the Coalition for Wisconsin Health, of the first single-payer bill introduced in the 1991-92 Session, AB 555.

In fact, in the packet of information I'll be distributing to you, I've enclosed a copy of the testimony I gave in support of AB 555 in 1992. I hope you'll read it carefully, because I could have simply changed the heading and date and given the same testimony today, almost ten years later. It's truly astounding, but ***nothing has changed–neither the nature of the problem nor the basic principles of its solution.***

Union workers are considerably more likely to have health insurance that is comprehensive and affordable than are non-union workers. That is simply because they have a voice on the job and can negotiate with management as a group for health care rather than have to accept what management decides to offer. But I can't think of a major union-management conflict in the past couple years in which the cost of health insurance was not a central issue.

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More than one union has had to accept pay raises that are less than the additional costs for health insurance that are shifted to them. And to be quite honest, some manufacturing firms which have been especially hard hit in the current recession simply can't afford health insurance premiums that are not uncommonly being raised twenty, thirty, or even forty percent. Of course premium increases of this magnitude are not limited to industrial firms–as we are well aware, since the premiums for the PPO for our State AFL-CIO employees went up 42% this year.

Retirees are losing health insurance too: employers are either withdrawing their coverage or shifting insurance costs to the retirees, many of whom can no longer afford it.

And then there are the uninsured. "Only" 7.4% of Wisconsin residents in 2000 were uninsured, compared to 14% nationally–but that still is an unacceptable 170,000 people. Hundreds of thousands more have inadequate coverage. That leads to a phenomenon unthinkable in any other advanced industrialized country in the world: community fundraisers being held to help those who can't afford medical care or prescriptions.

Our health care system is in crisis. Or perhaps it would be more accurate to say that we have a health care crisis because we don't have a coherent system of health care at all.

Think of the absurdity of our current situation. In the United States we pay about one third more than any other country, per person, for health care (twice as much per capita as Canada). Yet according to the World Health Organization of the United Nations, our life expectancy is lower than twenty-three other countries! (A statistic which many in the general public would not expect–or perhaps even believe. If it's any consolation, we're 15th in overall "health attainment".) We have similar low comparative rankings for other measures of health, including infant mortality. What's the difference? How can we spend so much more on medical care but have such inferior health outcomes? The answer is relatively simple: every one of those twenty-three countries whose residents are healthier and who have a life expectancy longer than ours have some form of a publically-funded universal health care system that guarantees top quality care to every one of its citizens.

Here very briefly are the damning statistics on the health care "system" in the United States:

WORLD RANKINGS FOR LIFE EXPECTANCY

COUNTRY BY RANK	% GDP SPENT ON HEALTH CARE	$ PER CAPITA SPENT ON HEALTH CARE	LIFE EXPECTANCY
1) Japan	7.1	2372	74.5
5) Spain	8.0	1071	72.8
7) Greece	8.0	905	72.5
12) Canada	8.6	1783	72.0
16) Belgium	8.0	1918	71.6
22) Germany	10.5	2713	70.4
24) USA	13.7	4187	70.0

Something's wrong. We're paying far more per person for health care–but we're getting far less.

SB 133 would fix what's wrong with health care in Wisconsin and in the United States. It would establish a true health care **system.** It would control costs through a negotiation system in which health care consumers would have power at least equal to that of health care providers, hospitals, and drug companies. Its administrative efficiency would cut total health care costs by about 10%, according to a Government Accounting Office study (among others)–and that would be enough to extend full health care coverage to everyone who currently has no insurance or inadequate coverage. The Wisconsin Universal Health Plan would cost no more than we are paying in aggregate today, yet everyone in Wisconsin would have all the health care they need–and deserve.

The result would also be a powerful tool of economic development. Imagine if we could tell current employers, or firms thinking of expanding or locating in Wisconsin, that their health care costs for employees would be comparable or lower than other states–and that they would have no administrative costs or responsibilities for the health care of their workers! We would not only have a stronger economy, but we would have eliminated the current incentive for employers not to offer health insurance or to shift costs to their employees in order to save money and be more "competitive".

Establishing a universal health care system **should** be an issue on which labor and management agree. And indeed we are seeing more and more employers who do agree with us. Perhaps the best evidence for this is an op-ed piece on the health care crisis published last week which states that "our unified goal is to make the problem of the uninsured our nation's top health priority and to help America solve it." This article was co-authored by John Sweeney, President of the National AFL-CIO and Thomas Donohue, President of the U.S. Chamber of Commerce.

Is SB 133 the only solution to our health care crisis? Is there no other way to solve the problem? No doubt there are other models we could adopt that would also contain and eventually cut costs and provide universal coverage. And in fact the Health Care Committee of the Wisconsin State AFL-CIO is investigating other models too. But no system will be successful unless it provides universal coverage and establishes effective cost controls that do not compromise the quality of health care provided. SB 133 meets those tests and it deserves your enthusiastic support. The burden is on its opponents to prove that they have a better solution.

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