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National health care may never happen

Americans love the idea of insurance for all - until they realize how much it will cost them.

By [Geoff Colvin](#), senior editor at large
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NEW YORK (Fortune) -- The latest polling looks great for President Obama: It shows that Americans love national health care. If history and polling trends are any guide, however, that will change. Voters right now are in what the famous pollster Daniel Yankelovich called the Wishful Thinking stage -- a moment in the life of an opinion analogous to the dreamy early days of a relationship. Yankelovich believed opinion evolved through seven stages: Dawning Awareness, Greater Urgency, Reaching for Solutions, Wishful Thinking, Weighing the Choices, Taking a Stand, and Making a Responsible Judgment. In the next few weeks, when voters discover what national health care will cost and how it would affect their own care, romance will give way to reality.

Americans favor by more than 3 to 1 "the government offering everyone a government-administered health insurance plan that would compete with private health insurance plans" and other large-scale federal initiatives. At least that's what they thought as of mid-June in a *New York Times*-CBS News poll. But the respondents in that poll were opining about an idea, not hard facts.

Only after most of the polling was complete did the Congressional Budget Office release its bombshell evaluation of Sen. Edward Kennedy's reform bill, which would just begin to do what

the poll respondents so enthusiastically favor. The report's sobering bottom line: The bill would increase the federal deficit by \$1 trillion over the next decade yet make only a dent in the number of uninsured, who would decline from 19% of the non-elderly population to 13%.

That combination -- huge cost, minor benefit -- is probably not what most people thought they'd be getting. Another bill, from the Senate Finance Committee, would cost still more. Legislators are scrambling for fixes, but even if they find them, they'll face a separate problem. Health-care reform is going to cost major dollars no matter what, and those dollars will have to be extracted mainly from those most able to pay, the top-earning 40% of the population. When these top earners figure out that they're being asked in a recession to shell out more -- through [increased taxes](#), higher insurance premiums, or other mechanisms -- for benefits that will go mostly to others, they won't be happy. And that top 40% knows how to make itself heard in Washington.


This isn't just speculation. Similar scenarios played out in 1992 when the Clintons pushed for their ill-fated Clinton Care plan and in 1988 after Congress passed an insurance plan to protect the elderly against the costs of catastrophic illness. In 1988 polls had shown that Americans overwhelmingly favored such a plan in the abstract, and large bipartisan majorities passed it in both houses. Only the top 40% of seniors would have paid a tax surcharge to fund the plan, but those were the people who tended to carry supplemental insurance already. Once they realized what was happening, they howled in a way that legislators couldn't ignore. Seventeen months after President Reagan signed the bill into law, Congress repealed it. None of its provisions ever took effect.

Today, with more ambitious reforms on the table, a scenario not unlike 1988 could be taking shape. Dig deep into the latest polling, and you'll find that while most Americans believe health care is a serious problem, 77% are satisfied with "the quality of health care you receive." When that large majority finds they're being asked to pay more for something they're basically happy with, they will enter Yankelovich's fifth stage, Weighing the Choices.

Yankelovich wrote rather presciently in the pages of Fortune back in 1992 that stage five is the hardest because it is the moment on the journey to a rational judgment when people must come to grips with the painful tradeoffs inherent in all complex issues. So when will that happen? I predict that stage five will begin in August, assuming the House passes a bill before Congress takes its August recess. Only then will we discover what citizens truly believe about health care. The result could be far more modest reform than we've been led to expect. ■

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