

LaRouche Movement Launches Campaign To Ban HMOs

by Marianna Wertz

On April 26, Democratic Presidential pre-candidate Lyndon LaRouche launched a nationwide campaign to ban health maintenance organizations (HMOs), and managed care generally, and to replace it with the approach to health care embodied in the 1946 Hill-Burton Act, which guaranteed quality health care to all citizens (see below). While thousands of individuals and organizations, including those backing the proposed "Patients' Bill of Rights," are already fighting to *alter* or *ameliorate* the savage effects of managed care on our nation's population, LaRouche said that this approach is insufficient to the threat, and it won't work.

Managed care must be treated "like Hitler coming on, in the 1930s," LaRouche told an April 27 town hall meeting in the nation's capital: "Adolf Hitler's regime had exactly the same policy. It was called, 'Cut out the "useless eaters." Eliminate the useless eaters.' You target some groups of people and say, 'We've got too many of them. So reduce their health care.' It started in the medical institutions in Germany, among the mentally ill, other ill people who were hospitalized: 'Cut 'em out! Accelerate the death rates. We can not afford to pay for them. Cut their health care. Get rid of useless eaters.' It was this policy which led to the death camp system in Nazi Germany, especially during the war years. That policy."

That policy must be stopped now, LaRouche said, and that means voting out of office every Congressman who supports it, or who is receiving funds from the HMOs. "I don't care what else you vote for. Register to vote, and go out and vote these guys out of office at all costs. *Your life may depend upon it!* Or the life of a member of your family may depend upon it."

As LaRouche stressed, the genocidal policies which Hitler implemented in the 1930s "can happen here," and they *are* happening here right now.

LaRouche called on Americans to get the text of legislation he has endorsed, "The Right to High-Quality Health Care Act," and its companion memo (see below), into the hands of every Congressman and state legislator in the coming days and weeks. These legislators must be told, by you, their constituents, to support it, or forget about being reelected.

As the accompanying figures and tables make clear, the time for trying to win some crumbs from a financial elite that is hell-bent on killing sick and poor Americans, is past.

The Nuremberg Precedent

The American jurist at the Nuremberg Tribunal following World War II, Robert Jackson, emphasized that the law "shall not stop with the punishment of petty crimes by little people. It must also reach men who possess themselves of great power

TABLE 1

Revenues and Enrollees of Managed Care Firms

	1998 (millions \$)	Enrollees (thousands, as of 3/31/99)
Aetna/U.S. Healthcare	\$22,767.6	7,367
United	18,672.0	6,778
Humana	9,828.0	5,442
Pacificare	9,650.0	3,600
Foundation	8,885.6	5,445
Wellpoint	6,960.6	6,913
Oxford	4,410.6	1,691

Source: U.S. Census Bureau, *Statistical Abstract of the United States: 1999*; Standard & Poors Industry Survey 1999/Managed Care.

TABLE 2

Net Income of Managed Care Firms, 1988-98

(millions \$)

Company	1988	1993	1994	1995	1996	1997	1998
Aetna/U.S.H. Foundation	667.7	-615.3	467.5	473.9	205.1	901.1	848.1
Humana	NA	61.9	82.2	49.4	166.4	NA	NA
Oxford	NA	89.0	176.0	190.0	12.0	173.0	129.0
Trigon	NA	14.9	27.9	52.4	99.6	-291.3	-596.8
United	NA	NA	NA	51.7	196.5	95.1	123.6
Wellpoint	-36.8	194.6	288.1	286.0	355.6	460.0	-166.0
	NA	186.6	213.2	180.0	202.0	227.4	319.5

Source: Standard & Poors Industry Survey 1999/Managed Care.

TABLE 3

Health Care CEOs: Compensation and Stockholdings

CEO	Firm	Compensation 1996 (millions \$)	Stockholdings/options 1997 (millions \$)
Stuart Balnum	Manor Care	\$0.9	475.4
Thomas Frist	Columbia/HCA	CEO 1997	460.4
Richard Scrushy	Health South	11.4	409.0
Richard Scott	Columbia/HCA	1.9	269.2
Stephen Wiggins	Oxford	4.6	230.4
David Jones	Humana	10.5	223.4
Robert Walter	Cardinal	1.1	212.4
Alan Miller	Universal	4.4	201.2
William Schoen	Health Mgt Assn	5.8	183.3

Source: Managed Healthcare Market Report, 7/15/97.

and make deliberate and concerted use of it to set in motion evils.”

According to the principles stated at the Nuremberg Tribunal in 1945, under which Nazi officials and doctors were tried and convicted for “crimes against humanity,” the present-day crimes of the managed care/HMO system constitute violations of the Nuremberg precedent. The practices of managed care that are demonstrably harming and killing American citizens are not the “mistakes” of the system; they are *characteristic* of the managed care/HMO system. And the originators and backers of the managed care system know this.

Just look at the salaries and stock options of the CEOs of these major health-care firms, or the multibillion-dollar revenues of the companies, if you want to get a sense of how evil this is (see **Tables 1, 2 and 3** and **Figure 1**). Managed care was originally created, according to the 1973 enabling legislation, for the purpose of “encourag[ing] the provision of medical care at reasonable costs.” Yet, managed care companies and CEOs are raking in the dough while they cut down

services delivered by their physicians to the bare bone.

Consider what managed care has done to the nation’s hospitals in the past decade. **Table 4** compares, for the years 1985 and 1996, the availability of community hospital beds in selected states. Community hospitals are the bulk of hospitals in the United States, the others being long-term care, psychiatric, and veterans hospitals—all of which are also being demolished by managed care. As of 1985, when the destruction began, you find that ten states closed down 10% or more of their community hospitals, and nine states shut down 10% or more of their hospital beds. In extreme cases, Massachusetts eliminated nearly one-quarter, and Illinois more than one-fifth of their hospital beds.

The 1946 Hill-Burton Act specified a ratio of 4.5 to 5.5 beds in use per 1,000 population, and mandated the construction of hospitals and hospital beds. In most localities, by adhering to this Act, up through the 1970s, the United States developed a good health care system. But today, the vast majority of states, as well as the United States as a whole, are below—many far below—the Hill-Burton standards.

At the same time, compare the growth in medical administration—

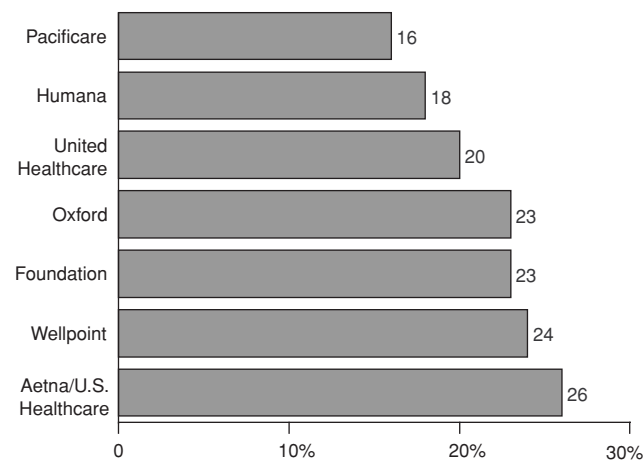
those who are hired simply to process the mountains of paper forms that managed care has generated—to the virtual stagnation in hiring of nursing staff, since the advent of managed care (**Figure 2**). Registered nurses are considered the most expensive, and therefore the most dispensable, part of the health care system by managed care accountants. Within large cities today, there is a marked reduction of both the absolute number of RNs per hospital, and per 1,000 population. Those who are still working, are increasingly being hired on a per-diem basis, and forced to work outrageous shifts—up to 24 hours at a time. In many cases, RNs are hired as “part-time” workers, with 30-hour work weeks, thereby enabling the HMOs to deprive their nursing staff of such full-time benefits as health insurance!

Note in Table 2, that the net income of many of these firms has taken a drastic drop in recent years. This is the result of the fact that, after nearly two decades of looting of the American medical system, HMOs have begun to run out of new areas to loot. The result is that all the managed care companies have begun to raise their premiums, with rate hikes upwards of 6%,

FIGURE 1

HMO Overhead and Profits

(overhead and profit as percent of premiums)

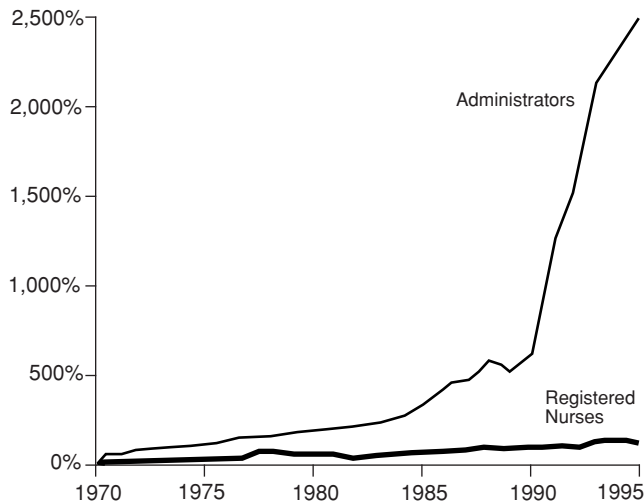


Source: Corporate Research Group, *Outlook for Managed Care*, 1997.

FIGURE 2

Growth of Registered Nurses and Administrators, 1970-96

(percent growth since 1970)



Source: Bureau of Labor Statistics and Himmelstein/Woolhandler/Lewontin Analysis of CPS data.

on average, for 1998, with 7-9% in additional hikes expected in 1999. Standard & Poor's estimates that the average monthly HMO premium for a family was approximately \$495 in 1998, while average monthly premiums for individuals were about \$160.

TABLE 4

Managed Care's Forced Shutdown of Community Hospitals and Beds, 1985-96

(selected states)

State	Number of hospitals		Beds (per 1,000 population)	
	1985	1996	1985	1996
Massachusetts	112	88	4.45	2.96
Texas	480	408	4.03	2.95
Michigan	193	164	4.13	2.96
Tennessee	145	124	5.29	3.88
Illinois	238	205	4.76	3.44
Minnesota	165	142	5.23	3.79
Washington	103	90	2.99	2.01
Alabama	129	113	4.90	4.36
New York	259	227	4.45	3.98
California	479	420	3.16	2.38
Missouri	141	125	5.11	4.01
Louisiana	145	129	4.50	4.45
Ohio	197	178	4.41	3.31
Oklahoma	118	108	4.13	3.28
Pennsylvania	241	223	4.74	3.90
U.S. total	5732	5134	4.19	3.25

Source: U.S. Census Bureau, *Statistical Abstract of the United States*, various years.

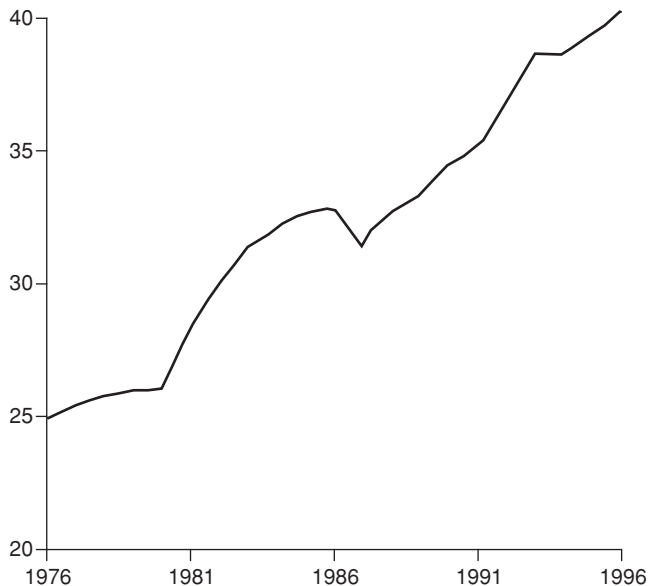
It's no wonder that the majority of labor union strikes in recent years have involved employer coverage of medical benefits. Who can afford such prices out of a normal salary? Nor is it any wonder that more than 40% of Americans are currently completely uninsured (**Figure 3**).

Killing Infants

Perhaps the comparative rates of infant mortality — deaths within the first year of life per 1,000 live births — (**Figure 4**) says most clearly what managed care has done to the nation. The United States has a significantly higher rate of infant mortality than all the European nations, including those, such as Italy, whose economies are significantly weaker than the United States. In some parts of the United States, such as the District of Columbia (15), Mississippi (11), and Alabama (10.5), for example, and for African-Americans as a whole (14.7), the infant mortality rate in 1996 approached Third World levels. In 1996, infant mortality for African-American babies was more than 18 per 1,000 in Arizona, Illinois, Indiana, Iowa, Kansas, and Wisconsin.

In upcoming issues, we will delve more deeply into this Nazi policy growing in our midst. We will explore, for instance, the recent shocking find, that, in 1999, approximately half a million bankruptcy filings were related to an illness or injury to the person who filed for bankruptcy or to a member of that person's family. This was the result of either the lack of insurance, because of the high cost of premiums, or the fact

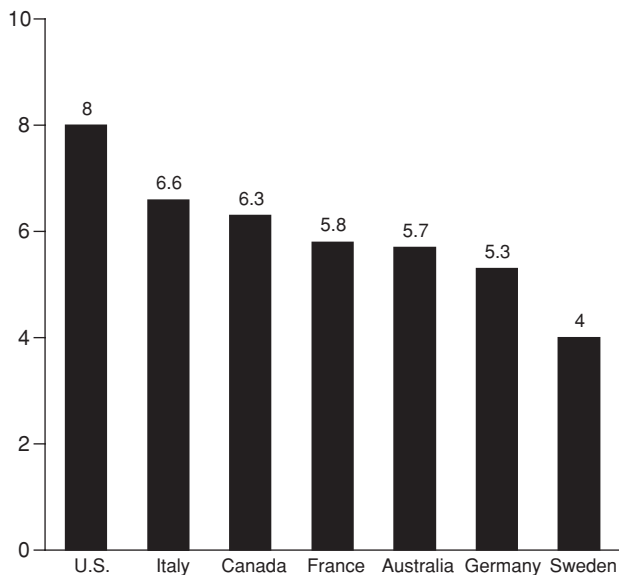
FIGURE 3
Number of Uninsured Americans, 1976-96
 (millions)



Source: David U. Himmelstein, M.D. and Steffie Woolhandler, M.D., M.P.H., *Healthy Profits, Unhealthy Care: An Update on Market-Driven Health Care*, tabulation from CPS and NHIS data.

FIGURE 4
Infant Mortality, 1995

(deaths in first year of life/1,000 live births)



Source: OECD, 1997.

that HMOs or insurance companies refused to cover necessary medical procedures.

We will also report on the campaign which you will be carrying out, to get this Nazi policy banned. So, be sure you are registered to vote, and use the list of Congressmen you will find below to begin this campaign now. As LaRouche said: Your life may depend on it!

The Proposed 'Right to High-Quality Health Care Act'

Declaration of Purpose

The purpose of this legislation is: a) to affirmatively establish the right of every person to the highest quality health care available; b) to abolish Health Maintenance Organizations, Managed Care Organizations, and the practice of managed care by health insurers; and c) to re-assert the principles of the Hill-Burton Act (42 U.S.C. Section 291 et seq.) as the primary policy governing U.S. health policy.

This Act is necessitated by the immediate crisis in the health conditions in the United States, where millions of citizens are denied access to necessary health care services due to the financial practices of Health Maintenance Organizations, Managed Care Organizations, the practice of managed care by health insurers, and the lack of adequate medical facilities in many communities in the country. This has created a health care emergency in the United States.

Under the Preamble to the United States Constitution, the Federal Government is required to "promote the general welfare," thus necessitating immediate action by the Federal Government to address this health care emergency.

The lack of access to adequate health care, and the practices of the Health Maintenance Organizations and Managed Care Organizations, are in violation of Article 25 of the Universal Declaration of Human Rights of the United Nations, and Article 12 of the International Covenant on Economic, Social, and Cultural Rights, which establish the universal right to adequate health care, and require governments to take steps to assure access to quality medical care. The United States is a signatory to these declarations and covenants.

The practice of denying needed medical treatment to certain persons in order to cause their death, was prosecuted as a crime against humanity by the United States in the post-World War II Nuremberg Tribunals.

Section 1

A. It is hereby established and affirmed that every person has a right to the highest quality health care available.