

It's Not the Uninsured, Stupid: Two Hurdles on the Track to Affordable Healthcare Coverage for All in North Carolina

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Moving North Carolina policy toward affordable healthcare coverage for all requires dealing with two problems ignored by many people and organizations interested in this issue. First, the dominant way stories about lack of affordable healthcare coverage are portrayed in the media is helping to stifle efforts for reform. Contrary to conventional wisdom, so-called healthcare horror stories—far from being helpful in showing the need for reform—focus attention on individuals rather than systemic solutions while insulating political leaders from responsibility. Changing the conversation about healthcare reform isn't enough, however. The second problem lies in irresponsibility on the part of the federal government that has resulted in huge tax cuts aimed largely at the wealthiest Americans, an exploding federal budget deficit, and consequent current and future cutbacks in existing healthcare programs like Medicaid and Medicare. If we can't maintain our current healthcare coverage, the prospect of bringing more people into the current healthcare coverage system is remote indeed.

The Healthcare Horror Story Doesn't Work

A common media tactic used for years when health policy analysts, advocates, policy makers, and others attempt to “address the problem of the uninsured” is to rely on the story of the Medicaid recipient struggling to make ends meet while living with a serious disability, or the mechanic who makes a decent living, but not quite enough to afford health insurance for his family. Advocacy organizations¹ compile “story banks” of these sorts of healthcare failure stories for distribution to reporters. Health policy textbooks highlight the “horror story” illustrative tactic for students.² The media actively looks for these sorts of stories and frequently inquires if health clinics, hospitals, doctors, and others know someone without insurance who is willing to tell their story.

The prospect of such healthcare horror stories regularly sparks dread among targeted industries and politicians. For example, filmmaker, Michael Moore, is collecting healthcare horror stories for a new film on the uninsured and America's healthcare system. The pharmaceutical industry is especially worried: “For every horror story Michael Moore produces, we can produce 1,000 success stories, but he's not interested in them,” said Ken Johnson, the senior vice-president of the trade group Pharmaceutical Research and Manufacturers of America.³

Despite fear from the targeted and enthusiasm from the mobilized, the idea underlying the healthcare horror story—that evoking sympathy with a story of hardship or poverty will translate into support for change in policy—has been shown to

“...refocusing media attention from the individual story of the poor uninsured person to the systemic problems that underlie the lack of affordable healthcare should be a top priority.”

be dead wrong. Such stories even have the opposite effect by depressing support for changes in policy and diverting attention from the real problems. After seeing a healthcare horror story, people tend to think of the problem of the uninsured as that particular family's or individual's problem and not a problem that can be solved by government. The focus on the story shifts the focus away from the responsibility of politicians, as leaders of government, to act and address the problem for everyone.

The idea that “horror stories” might not be so effective was first raised in the 1980s when Shanto Iyengar and Donald

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Kinder published *News that Matters*,⁴ a critical look at the rise of television news and its effect on policy agenda setting. Conducting multiple experiments they determined that:

[C]ontrary to much conventional wisdom, news stories that direct viewers' attention to the flesh and blood victims of national problems prove no more persuasive than news stories that cover national problems impersonally—indeed, they tend to be less persuasive. This undermining of agenda-setting may be particularly powerful when viewers in effect blame the victims for the problems that have befallen them. Perhaps visual presentations are generally less persuasive in part because they are so successful as melodrama. Viewers may get so caught up in one family's troubles that they fail to make the connection back to the national condition. Overwhelmed by concrete details, they miss the general point.⁵

Iyengar expanded on this work with more research. In addition to confirming his earlier views, he found that such “episodic framing,” or focusing on individual stories and not the bigger picture, also insulated politicians and other public officials from responsibility for fixing the problems. Iyengar writes, “By simplifying complex issues to the level of anecdotal evidence, television news leads viewers to issue-specific attributions of responsibility, and these attributions tend to shield society and government from responsibility.”⁶ It only makes sense. A story about a family in poverty focuses attention on how to help that particular family, not on the policy decisions that lead to that family being in poverty. Connecting the actions of a politician in Raleigh or Washington to the plight of a particular family is often just too much of a stretch for the average person.

Shifting the Focus: “Sympathy for the Poor” versus “Economic Planning”

More recent research has confirmed and expanded on Iyengar's work. The Ford Foundation has funded extensive research on this topic by the communications firm Douglas Gould & Company.⁷ A 2004 survey of 3,205 registered voters compared different “frames” or ways of talking about issues impacting low-wage workers. The “sympathy for the poor” frame, which used the type of classical horror story described above, failed to generate much support for policy fixes. Instead, people felt that the responsibility for solving the problems was incumbent upon the people experiencing the problem.

Researchers then tried what they called the “economic planning” frame. Here they talked about the same problems they had with the “sympathy for the poor” frame, but now they focused on the economy, jobs, and future prosperity. Instead of the horror story, trends and broader influences were used to illustrate the problems. For example, the argument was presented that the nation should not focus on “short-term profits and short-term thinking,” but think long-term and “build good-paying jobs with benefits.”⁸

The Gould study concluded that moving away from the horror story toward talking about the economy, jobs, trends, and

future prosperity significantly increased the public's acceptance of and desire for policy solutions. A recent example of this type of coverage is the wide notice given to retailer Costco for its generous employee benefits, larger contributions to employee health insurance, and low turnover.⁹ The theme? Treating your employees well is good for the company, business, customers, and the community.

Other studies involving multiple focus groups, a national study of registered voters, and detailed analysis of news coverage all support the above conclusions.¹⁰⁻¹²

A New Way of Talking about Affordable Healthcare for Everyone

When the predominant way the story of the uninsured is covered in the media is ineffective in building support for policy change, supporters of healthcare for everyone must change their strategy. This means a huge shift in how supporters for change refer to those without health coverage, a change in the examples used to illustrate the need for health coverage, and a relentless focus on the collective responsibility of citizens and government to solve this problem.

First, refocusing media attention from the individual story of the poor uninsured person to the systemic problems that underlie the lack of affordable healthcare should be a top priority. Highlighting solutions is a key part of this effort. Successful collaborations, such as Project Access in Buncombe county,¹³ where low-income residents can get comprehensive, affordable healthcare regardless of whether they can afford coverage from work need to be given prominence. Profiles of North Carolina employers who are offering comprehensive healthcare coverage along with decent wages should be used as models. The system is broken—but we have the will and ability to fix it—should be the key message.

Refusing to be drawn into the “find-a-person-without-insurance-to-be-profiled” media trap isn't enough, however. In every story about the lack of affordable health coverage, there should be mention of how this lack hurts the economy, means lack of decent jobs, and imperils future prosperity. To build a strong economy, we need a healthy workforce, and that means everyone needs to be able to see a doctor when they are sick.

We should create jobs in North Carolina, but we shouldn't think short-term. Long-term thinking means creating jobs with good benefits and decent salaries, so people can have a reasonable place to live, connect to their towns and cities, raise their families, and contribute to the future of the community. If families are being driven into bankruptcy by high medical bills that hurts not only them, but our future prosperity. Someone who is bankrupt because of hospital bills isn't going to buy a new car down at the local Ford dealership.

Finally, the way the lack of guaranteed affordable health insurance coverage affects everyone should be made clear. The message here is simple. Why should North Carolinians worry that a job loss or change, a desire to strike out on their own and start a new business, or a sudden disability might mean loss of health coverage for themselves and their families? What kind of

economic engine would we unleash if anyone with a great idea could start a business knowing that affordable health coverage was easily available? How many modern-day Wright brothers are trapped between the need to maintain responsible health coverage from their current company and a dream to strike out and invest in their own innovative ideas?

Fixing Federal Budget Problems Is The Second Component Necessary to Advance North Carolina's Health Agenda

Unfortunately, shifting the message and focus to the economy, jobs, and future prosperity will not be enough to move North Carolina toward affordable health coverage for everyone. A huge roadblock remains in the form of the current devastating fiscal irresponsibility of the federal government. For wealthier states, few prospects of new federal funding for health coverage and increasing federal budget cuts limiting federal healthcare money are not as insurmountable. Massachusetts¹⁴—with a \$52,000 annual median income and a low 11% uninsured rate compared to North Carolina's \$39,000 median income and 17% uninsured rate—can credibly move toward universal affordable coverage.¹⁵

This is not so in North Carolina. Too often, supporters of affordable health coverage for everyone shy away from describing just how to pay for the solutions they proscribe. But building an economy where families don't have to worry about losing affordable health coverage is going to cost money. Sure, if we rebuilt the health system from the ground up, we could probably save enough in administrative, paper-pushing costs to bring everyone in. However, as imperfect and wasteful as our current system is, 85% of the population is more or less happily covered under our current system, and the other 15% isn't marching in the streets for radical change.^{a,16}

Indeed, the benefits that more expensive medical care brings—stronger communities, healthier workers, and longer lives—are worth paying for. But, before we look to find more money for expanding care, there remains a huge problem. Current federal tax policies mean that we cannot afford the programs we have in place right now, much less to expand them in the future. A top priority of the President and current Congressional leadership is making tax cuts since 2001 permanent. These tax cuts are disproportionately aimed at top income-earners. People with incomes over \$1 million will receive a tax reduction of nearly \$112,000 this year, while someone in the middle of the income scale can expect only a \$748 reduction.¹⁷ Another priority with broad bipartisan support is to balance the federal budget. As the Center on Budget and Policy Priorities points out, those two goals are simply not compatible without cuts that would be unthinkable to many.

The sad truth is that expanding costs for healthcare combined with drastically reduced tax revenues and an exploding federal deficit mean a sharp fiscal squeeze. Add to this the now nearly \$10 billion a month being spent on the war in Iraq and

What Would it Take to Balance the Budget While Preserving the Tax Cuts?

To balance the budget by 2016 while making the tax cuts permanent, policy makers would have to:

Cut Social Security benefits by45%

Or cut defense spending by66%

Or cut Medicare by56%

Or cut every other program except Social Security, Medicare, defense, and homeland security by32%

Source: Federal Budget Outlook. Budget presentation. Washington, DC: Center on Budget and Policy Priorities. Available at: <http://www.cbpp.org/budget-slideshow.htm>. Accessed May 24, 2006.

Afghanistan (a cost that has risen almost \$2 billion a month in the last year),¹⁸ and it's clear the country is heading for a crisis. In fact, realistic estimates of the budget deficit over the next ten years put the federal government in the red by \$4.8 trillion.¹⁹ This is simply unsustainable and puts current healthcare programs like Medicare and Medicaid in serious jeopardy.

One effect of the federal funding crunch is less money to help states facing tough economic times. Over the last several years, multiple states have enacted large cuts in Medicaid eligibility and benefits in response to the economic downturn. Last year, the biggest health issue debated in North Carolina was the proposed denial of Medicaid eligibility to 65,000 elderly, blind, and disabled residents. Although the state's fiscal fortunes seem to be rising in 2006, the same is not true at the federal level.

This year Congress enacted \$39 billion in budget reductions, which will mean more people without insurance and will shift billions in child care assistance and welfare reform costs to the states. For example, North Carolina currently is grappling with an unfunded federal mandate to require a birth certificate from the 1.2 million North Carolinians getting healthcare through Medicaid.²⁰ Finding birth certificates for over a million people on Medicaid who are overwhelmingly elderly, disabled, or under 18 years old is a Herculean task North Carolina's taxpayers will now be expected to finance. Many elderly African Americans, born in a south with segregated hospitals, will have even more difficulty—their "birth certificate" may only be a notation in the family Bible. Cost savings for the federal government translates into huge budget and human costs at the state level.

It's simple. Any honest talk about major expansions in health coverage for North Carolinians has to start with the federal government getting its own fiscal house in order. Otherwise the healthcare coverage debate in North Carolina for the foreseeable future will be about how to preserve current coverage in the face of gigantic federal cutbacks.

a Political participation by low-income people (i.e., voting, protesting, contacting legislators, joining advocacy groups, giving campaign donations) is far lower than for people in the middle- and upper-income brackets. This hasn't changed much over the last century.¹⁶

This political medicine is tough, but necessary, if we want to build a North Carolina economy for the next century where everyone benefits. It will require a balanced, bipartisan approach with strict fiscal rules, reconsideration of ill-advised tax cuts, and an honest assessment of where substantial savings can be made in Medicare and Medicaid spending. This is a contentious process, but some ways to start would be:

- Reinstate “pay-as-you-go” rules that require Congress to pay for all tax cuts and increases in entitlement programs before such tax cuts or increases can be enacted.
- Don’t make permanent any tax cuts that are not clearly paid for.
- Rethink tax cuts going to people with annual incomes over \$400,000—the top 1% of the population—and devote resulting revenues to reducing the federal budget deficit and strengthening Medicare and Medicaid.
- Revise the Medicare Part D prescription drug legislation to allow the federal government to negotiate directly with drug companies and obtain the lowest possible prices for drugs.
- Invest in research that compares the effectiveness and value

of prescription drugs, healthcare procedures, and other health initiatives.

A Positive Outlook for a Strong Future Economy

As our technology becomes more sophisticated, our population ages, and our state population grows, we face a critical choice. A strong future North Carolina economy means good jobs with quality benefits and access to the best and most innovative healthcare that the many medical resources in our state have to offer. A long and healthy life should be attainable for every North Carolinian whether they work in a tourism job on the coast or a research and development job in the Research Triangle Park. A big part of creating the economy and prosperity people want is ensuring affordable healthcare coverage for all. This is an attainable goal, but two necessary steps on the road to reform require rethinking the message around affordable healthcare coverage and demanding true fiscal accountability from the federal government. **NCMedJ**

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