

Nixoncare vs. Obamacare: Comparing the rhetoric and reality of two health plans

July 13 2015

Pres. Nixon's 1971 Plan:

- All employers required to provide basic health insurance, including a range of specific coverage requirements
- Employees required to share the cost of insurance, up to a cap
- Insurance companies can only vary benefit packages to an extent
- Special insurance programs at reasonable rates for self-employed/others
- Replace most of Medicaid for poor families with a completely federal plan open to any family below a certain income level; cost-sharing rises with income.

Nixon's 1974 Plan:

- All employers must insure all full-time employees, with employee cost-sharing up to a cap, and federal subsidies to aid employers.
- Replace Medicaid with a plan open to anyone not eligible for employee health insurance or Medicare, and those who can't afford their coverage.

Pres. Obama's Affordable Care Act, 2010:

- Employers with more than 50 employees must offer affordable insurance with a minimum set of benefits to most employees, or pay extra if their employees qualify for a tax credit to buy insurance on a marketplace instead.
- Smaller employers can buy through a special program, and smallest employers can get a tax credit.
- "Affordable" coverage is that which costs less than 9.5 percent of household income. Subsidies and tax credits available to many.
- Medicaid expanded by offering states funding to cover individuals earning up to 133 percent of poverty level (fully at first then tapering back to 90 percent over time).
- Minimum package of insurance benefits for all newly eligible individuals.
- Pays providers equal rates for Medicaid & Medicare patients

A comparison of key provisions of Pres. Nixon's and Pres. Obama's plans to decrease uninsurance in America. Credit: University of Michigan

Few people today would dare call President Richard Nixon a radical liberal. But 44 years ago, he proposed a health plan that went far beyond what today's Affordable Care Act includes. After the first plan failed, he did it again three years later.

And just like today's heated rhetoric from opponents of the ACA, also called "Obamacare" after the president who introduced it, Nixon's plans

were met with inflamed opposition from the other party.

In a new article in the journal *Pediatrics*, a team from the Child Health Evaluation and Research Unit at the University of Michigan Medical School compares the reality, and the rhetoric, of two efforts to improve the nation's [health](#) by reducing the number of people who lack [health insurance](#).

"It's not that one is right and one is wrong," says author Gary Freed, M.D., MPH, a U-M pediatrician and health policy researcher. "But more that this is a chance to address the appropriate place of political rhetoric when it comes to improving [public health](#), and the dangers of elevating blind partisanship over meaningful debate about important issues for our nation's health."

Looking at this comparison of the plans, Freed says, it's easy to see that Nixon's proposals were far more "liberal" than what passed under the Affordable Care Act during President Obama's first term. Yet, he notes, the rhetoric directed against the ACA - as "a radical liberal plan," "socialized medicine" and a "job killer" - seeks to paint the law in extremely inflammatory tones.

At the time of Nixon's proposals, those seeking a single-payer plan, led by Senator Ted Kennedy, scoffed and said that his plans did not go far enough. The Democrats' early-70s health proposal was far more liberal than anything the party has proposed in recent times, and they heaped scorn on the Republican plan.

Freed notes that the approach Nixon took, which preserved the insurance industry's role in health care, would have covered more people than the ACA does.

At the time, Nixon put forth this rationale for his plan: "Those who need

care most often get care least. And even when the poor do get service, it is often second rate...This situation will be corrected only when the poor have sufficient purchasing power to enter the medical marketplace on equal terms with those who are more affluent." Employees around the nation supported Nixon's plan as a welcome alternative to the single-payer proposals.

Both the Nixon plans and the ACA were driven by a desire to provide health coverage for the uninsured segment of the American people, says Freed, and to keep [health care costs](#) from continuing to rise out of control.

"It would be a very different country today if the Nixon plan had passed," says Freed. "Instead, we had 30 more years with one-third of the population uninsured," even after the expansion of Medicaid to cover near-poor children in the late 1990s.

"We need to put [health care](#) in a historical perspective, and not go to extremes for political purposes," says Freed. "I would hope this history will help policy makers think about what the policy is trying to accomplish for the American people, and not turn a blind eye to proposals simply because they're proposed by one party or the other."

Freed, who is the Percy and Mary Murphy Professor of Pediatrics and Community Health at the U-M Medical School, is also a professor of Health Management and Policy at the U-M School of Public Health and a visiting professor at the University of Melbourne, Australia. He is a member of the U-M Child Health Evaluation and Research unit and the U-M Institute for Healthcare Policy and Innovation.

Freed and co-author Anup Das note these key elements of the two presidents' plans:

President Richard Nixon's National Health Strategy (1971)

- All employers required to provide basic health insurance, including a range of specific coverage requirements
- Employees required to share the cost of insurance, up to a cap
- Insurance companies can only vary benefit packages to an extent
- Special insurance programs at reasonable rates for self-employed and others
- Replace most of Medicaid for poor families with a completely federal plan open to any family below a certain income level; cost-sharing rises with income.

Nixon's Comprehensive Health Insurance Plan (1974)

- All employers must insure all full-time employees, with employee cost-sharing up to a cap, and federal subsidies to aid employers.
- Replace Medicaid with a plan open to anyone not eligible for employee health insurance or Medicare, as well as those who can't afford their coverage

President Barack Obama's Affordable Care Act (2010)

- Employers with more than 50 employees must offer affordable insurance with a minimum set of benefits to most employees, or pay extra if their employees qualify for a tax credit to buy insurance on a marketplace instead.
- Smaller employers can buy through a special program, and smallest employers can get a tax credit.
- "Affordable" coverage is that which costs less than 9.5 percent of

- household income. Subsidies and tax credits available to many.
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 - Minimum package of insurance benefits for all newly eligible individuals.
 - Pays providers equal rates for caring for Medicaid and Medicare patients

Provided by University of Michigan Health System

Citation: Nixoncare vs. Obamacare: Comparing the rhetoric and reality of two health plans (2015, July 13) retrieved 17 May 2024 from <https://medicalxpress.com/news/2015-07-nixoncare-obamacare-rhetoric-reality-health.html>

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