

Learning from History: President Truman and the Effort to Enact Compulsory Health Insurance

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Harry S. Truman



- Born on May 8, 1884 at Lamar, Missouri
- U.S. Senator from Missouri from 1935 to 1945
- Gained Fame through when his preparedness committee investigate military wastefulness , fraud, mismanagement
- Nominated at the 1944 Democratic Party Convention as Vice Presidential candidate to run with President Franklin Roosevelt
- Became 33rd President (1945-1953) when President Roosevelt died on April 12, 1945

Early Major Speeches for Compulsory HI

- Economic Bill of Rights, Sept. 6, 1945
- Message to Congress Calling for Compulsory Medical Insurance, Nov. 19, 1945
- Message to Congress for Federal Health Program, May 19, 1947
- State of the Union, Jan. 8, 1948
- Speech before the National Health Assembly, May 1, 1948

Political Composition of U.S. Congress 1945-1949

- 79th Congress (1945-47):

Senate - 57 (D) 38 (R) 1 (O)

House - 243 (D) 190 (R) 2 (O)

- 80th Congress (1947-49):

Senate - 45 (D) 51 (R)

House – 188 (D) 246 (R) 1(O)

National Health Assembly, 1948

- Truman asked Federal Security Agency head to develop national health goals for ten years
- 800 leaders of medicine, public health, industry met on May 1 to 4 in Washington, D.C.
- Agreement on the “principle of contributory health insurance should be the basic method of financing medical care for the large majority of the American people”
- No agreement on method - voluntary or compulsory insurance

Compulsory Health Insurance as Truman 1948 Campaign Theme

- A part of the larger attack on the “do-nothing” 80th Congress and NY Governor Thomas Dewey, GOP presidential candidate
- Sept. 1 - Labor Day message Truman advocates national health insurance
- Sept. 2 - Truman praises report on Nation’s Health
- Sept. 14 - Truman meets with AHA officials to discuss CHI

Attacks on Compulsory Health Insurance during 1948 campaign

- Sept. 7, Nat'l Conference of Professions called CHI “communist-inspired”
- Sept. 23, AMA says Americans would lack care under compulsory sickness plans
- Oct. 18 – American College of Surgeons meeting, CHI would lead to red tape, inefficiency
- Oct. 26 – NY Academy of Medicine meeting, CHI “inspired by communists”

The Nation's Health Report

- Sept. 2, Presented to President Truman by the Federal Security Agency head
- Every year 325,000 die needlessly
- Nation loses 4.3 million man-years due to bad health
- Nation loses \$27 billion through sickness and partial/total disability
- 5 million men declared unfit by Selective Service during WWII

The Nation's Health Report and Compulsory Health Insurance

- Prepaid plan of government health insurance
- People lack adequate care due to high cost, low incomes
- Voluntary insurance inadequate to promote best health, cover only fraction of population, and those who have the poorest coverage have the greatest need
- CHI cost – 3% of annual earnings up to \$4800

1948 Presidential Election

- Everyone expected Republican NY Governor Thomas Dewey to win the election
- Three way split in the Democratic Party
- Henry Wallace, Progressive Party (former VP)
- Strom Thurmond, State's Rights Party or Dixiecrats (Governor of South Carolina)
- Gallup Poll: Nov. 1, Dewey, 49.5%; Truman, 44.5%; Wallace, 4%, Thurmond, 2%
- Roper Poll: Oct. Dewey, 44.2%, Truman, 31.4%, Wallace, 3.6%, Thurmond, 4.4%
- CHI not mentioned in Democratic Platform

1948 Election Results



- Truman, 49%; Dewey, 45%; Wallace, 2%; Thurmond, 2%
- EC Vote: Truman 303; Dewey 189; Thurmond, 39; Wallace, 0
- 81st Congress (1949-51):
 - Senate – 54 (D) 42 (R)
 - House – 263 (D) 171 (R) 1 (O)
- Dec. 2, (NYT) AMA to raise \$3.5 million fund to fight CHI (\$25 per 140,000 physicians)

1949: CHI Proposal

- April 22, Message to Congress for Health Insurance Plan
- Estimated revenues \$4.5 billion annually from 3% payroll tax
- Direct federal appropriations of \$750 million in first year to \$1.5 billion thereafter
- Physicians/dentists paid on fee basis or annual salary, or flat annual fee
- Hospitals paid for actual cost of services and private rooms extra cost to patient
- Patients free choice of doctor, hospital, dentist
- Providers choose to participate in plan

1949: Political Feasibility

- AMA - plan adds 400,000 to 500,000 federal workers
- AMA - true cost of plan - \$10 to \$18 billion
- AMA - medical standards would be lowered with 3rd party between doctor and patient
- Republicans push for voluntary HI, subsidies for low income persons
- Rep. leader states that health plan is doomed
- Business opposition – National Association of Manufacturers, Chamber of Commerce, insurance companies
- CHI described as “socialized medicine”

Congressional Action on CHI Delayed

- April 27, chair of the Subcommittee on Health of the Senate Labor and Public Welfare Committee decides to delay action
- Divided support for alternative health bills including CHI
- April 29, Hearings held in Senate Subcommittee on Health
- May 20, Hearings held in the Subcommittee on Health of the House Interstate and Foreign Commerce Committee
- Oct. 13, Dewey cites Lenin quote that socialized medicine is “keystone of the arch of the socialist state”

Possible Factors for CHI Failure

- Interest Group Opposition
- Rise in Voluntary Insurance – between 1940 to 1950 number of persons enrolled increased from 20.6 million to 142.3 million
- Constant characterization of CHI as “socialized medicine” associated with Communism
- Absence of Presidential Leadership
- Dec. 17, 1949, Gallup Poll: Public does not identify health insurance as a top national priority

The End

- Oct. 26, 1949, Senate sponsors of CHI bill abandoned hope of showdown next year
- Alternative – insurance for ordinary hospital and medical services up to a certain amount
- Alternative - Insurance protection against catastrophic illness
- Acceptance then push for expansion
- Republicans attack Fair Deal in 1950 Congressional Election

Future for NHI

- Who controls Congress and by how much are key for passage of NHI?
- President needs significant majority of the vote and Electoral College?
- Coattails instead of reverse coattails?
- 2008 Presidential Election?