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Health Letter

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Single-Payer: Good for Business

By Morton Mintz

Originally published by Morton Mintz in the November 15, 2004 issue of The Nation. *Read and subscribe to* The Nation *at www.TheNation.com.*

Morton Mintz has been a supporter of Public Citizen for many years. He was an investigative reporter for the Washington Post *for 30 years until 1988 and has subsequently been an active free-lance reporter. He was formerly the Chair of the Fund for Investigative Journalism. Public Citizen has previously printed a critique by Mr. Mintz of tobacco industry contributions to the ACLU and the possible conflicts of interest involved in this.*

Business leaders complain endlessly that the current system of private healthcare insurance based on employment provides fewer and fewer people with less and less quality care at higher and higher cost. Yet Corporate America turns its back on a publicly financed system, which, by all indicators, the taxpayers would willingly support.

Publicly financed but privately run healthcare for all — including free choice of physicians — would cost employers far less in taxes than their costs for insurance. Universal coverage could also work magic in less obvious ways. For example, employers would no longer have to pay for medical care under workers' compensation, which in 2002 cost them more than $38 billion. Auto-insurance rates would fall for them — and everyone — if the carriers were no longer liable for medical and hospital bills. You'd think that in its own selfish interest, Corporate America would be fighting to replace the existing system with universal health coverage. Yet it doesn't lift a finger.

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Meanwhile, under the Bush Administration healthcare coverage steadily shrinks. In 2000, according to the Census Bureau, 14 percent of Americans didn't have it; in 2003, 15.6 percent — 45 million—did not. Actually, 85 million Americans under age 65 were uninsured over varying periods during 2003-04, up from 81.8 million in 2002-03, according to Families USA, the consumer health organization. As more and more Americans become uninsured, spending on healthcare soars. By 2001 it accounted for 13.9 percent of US gross domestic product. (It constituted a much smaller share of GDP in countries with universal healthcare, such as Sweden, 8.7 percent; France, 9.5 percent; and Canada, 9.7 percent.) Average family premiums in 2005 are projected to be $12,485, up $1,768 from 2004. The federal Centers for Medicare & Medicaid Services expect healthcare outlays to rise from $1.8 tril-

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lion in 2004 to $2.7 trillion in 2010, nearly a trillion-dollar increase in six years. The forecast reflects annual increases of 14 percent to 18 percent. David Walker, head of the Government Accountability Office (GAO), the auditing arm of Congress, calls them "unsustainable."

A simple fact largely explains why spending bloats while the ranks of the insured thin: Health insurance is increasingly unaffordable. After rising 38 percent between 2000 and the last quarter of 2003, the costs of providing healthcare to employees rose 11.2 percent between January and May of 2004, according to the Kaiser Family Foundation's annual survey of 3,000 companies. "Close to 75 percent of 205 senior-level executives surveyed [in May] by the Detroit Regional Chamber rank employee health insurance as 'unaffordable' and 25 percent consider it 'very unaffordable,'" the Detroit News reported. The Kaiser Family Foundation says that from 2001 to 2004 the proportion of workers receiving health coverage on the job dropped from 65 percent to 61 percent, a loss of 5 million jobs with health benefits.

"Double-digit increases in healthcare costs are a drag on economic growth," says Henry Simmons, president of the National Coalition on Health Care, an alliance of groups working for healthcare reform. They "slow the rate of job growth," "suppress wage increases for current workers," "undercut the viability of pension funds," "put American firms at a steep disadvantage in world markets" and produce "severe long-term budgetary problems" for the federal and state governments.

Two unrelated but mutually reinforcing reports coming out on a single day, August 19, validate the economic-drag theory. First was a study that found a "relationship between job growth and health care costs" in eighteen industries between 2000 and 2003. It was done for the Kerry campaign by Sarah Reber, assistant professor of policy studies at the University of California, Los Angeles, and Laura Tyson, dean of the London Business School and former head of President Clinton's Council of Economic Advisers and National Economic Council. The evidence, the authors write, "suggests that employers have reduced hiring in response to rising health insurance premiums," and that rising premiums have led to a deterioration in the quality of jobs. In industries where health-insurance benefits accounted for a comparatively large share of total employee compensation, job growth was slower than in industries where they accounted for a smaller one. Thus, in the accommodation and food services industry, "benefits constituted about 12 percent of total compensation for workers...and jobs grew...by about 2.5 percent. In manufacturing...the benefits share was 18.5 percent and job losses topped 18 percent." [Emphasis in original.]

A relentless rise in the cost of employee health insurance has become a significant factor in the employment slump.

This picture was reinforced by a *New York Times* article based on "government data, industry surveys and interviews with employers big and small." It said:

A relentless rise in the cost of employee health insurance has become a significant factor in the employment slump, as the labor market adds only a trickle of new jobs each month despite nearly three years of uninterrupted economic growth.... employers big and small...remain reluctant to hire full-time employees because health insurance, which now costs the nation's employers an average of about $3,000 a year for each worker, has become one of the fastest-growing costs.... Health premiums are sapping corporate balance sheets even more than the rising cost of energy.

Reacting to rising expenditures on insurance, corporate managements cut back on employee health benefits, triggering worker unrest. Consider the five-month strike against supermarket chains in Southern California — the longest in the industry's history. It left about 60,000 union workers jobless, and it seriously hurt the owners as well. The central issue — in a state where half of all personal bankruptcies are related to medical bills — was the demand by Safeway, Kroger and Albertsons that members of the United Food and Commercial Workers (UFCW) union pay much more for health benefits. The settlement, reached last February, sent a grim message to grocery workers everywhere.

The strike "would not have occurred if we had a system of universal healthcare coverage," Greg Denier, assistant to the international president of the UFCW, told me. "All of our strikes in the past decade have occurred because of the absence of universal healthcare." Moreover, universal health coverage would have narrowed the wide gap in operating costs between the unionized chains and nonunion competitors, particularly 800-pound gorilla Wal-Mart. Unlike the chains, the world's biggest retailer charges so much for miserly health insurance that more than 60 percent of

Reacting to rising expenditures on insurance, corporate managements cut back on employee health benefits, triggering worker unrest.

its poorly paid employees (averaging $8 an hour) don't buy it. Denier saw the strike as a symptom of "the slow-motion collapse of the employment-based healthcare system."

Lawyer Harry Burton represented Safeway and Giant Food in subsequent negotiations with the UFCW in the Washington, DC, region. Speaking "as an individual," he essentially agreed with Denier. Universal health insurance would have "a profound effect" not just on the supermarket industry but "on nearly all collective bargaining," he told me. Nonunion companies "virtually never" provide healthcare of the same quality as that provided by unionized competitors, thus creating "a vast disparity in costs." That's why a tax-supported national system would result in "a leveling of the playing field." I asked Burton what explains the resistance or indifference of employers to universal health insurance. "Very frequently it's ideology," he replied.

Business leaders worship marketplace ideology "almost like religion," says Raymond Werntz, who for nearly thirty years ran healthcare programs for Whitman Corporation, a Chicago-based multinational holding company. "It's emotional." In 1999 Werntz became the first president of the Consumer Health Education Council in Washington, a program of the Employee Benefit Research Institute, a nonprofit, nonpartisan group. He saw it as his mission to try to persuade employers to face the "huge, huge" issue of the uninsured because, he told me, "business has to be involved with the solution." The problem that emerged was its "unwillingness to even think about a solution." Last year, after funding ran out, a disappointed Werntz became the council's last and only president.

Highly placed Canadian business executives affirm that single-payer nurtures free enterprise.

Publicly financed universal health insurance comes in different forms. For Americans, however, none should hold more interest than single-payer. It's "one and the same thing" as Medicare for everybody, Werntz told me. Does the Corporate America that's happy with Medicare understand this? I asked. "It's a dialogue that hasn't happened yet," he replied. "My life for four years was trying to get business people in a room with single-payer people. I couldn't do it." CEOs of large corporations see it as something "that smacks of socialism," Werntz said, and therefore as "heresy."

Somehow, they don't see Medicare as heresy. Yet it's largely why the tax-financed share of US health spending is "the highest in the world," according to Drs. Steffie Woolhandler and David Himmelstein, associate professors at Harvard Medical School and founders of Physicians for a National Health Program. Writing in the July/August 2002 issue of *Health Affairs*, they put the share at 59.8 percent. No wonder: Federal tax revenues pay for Medicare, Medicaid and the medical-care systems for the military, the Veterans Administration, federal employees and Congress; income-, sales- and property-tax revenues buy coverage for state and local public employees. Taxation also hugely subsidizes health insurance while benefiting mostly "the affluent," the authors noted.

In 1991 the GAO made a stark finding regarding single-payer's benefits: "If the universal coverage and single-payer features of the Canadian system [had been] applied in the United States" in that year, "the savings in administrative costs" — $66.9 billion — "would have been more than enough to finance insurance coverage for the millions of Americans who are currently uninsured," the GAO said in a report. The $3 billion left over "would be enough...to permit a reduction, or possibly even the elimination, of copayments and deductibles."

Early this year, a comprehensive study published in the *International*

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Journal of Health Services reached this stunning conclusion: "The United States wastes more on health-care bureaucracy than it would cost to provide health care to all its uninsured." The authors, Woolhandler, Himmelstein and Dr. Sidney Wolfe, director of Public Citizen's Health Research Group, went on to write: "Administrative expenses will consume at least $399.4 billion of a total health expenditure of $1,660.5 billion in 2003. Streamlining administrative overhead to Canadian levels would save approximately $286 billion in 2002, $6,940 for each of the 41.2 million Americans who were uninsured as of 2001. This is substantially more than would be needed to provide full insurance coverage."

Canada has had a single-payer system for more than thirty years. (Australia, Denmark, Finland, Iceland, Sweden and Taiwan also have one.) American executives who have run Canadian subsidiaries see it as a business boon. Take General Motors. In 2003 its costs of building a midsize car in Canada were $1,400 less than building the identical car in the United States (the comparable figures for DaimlerChrysler and Ford were $1,300 and $1,200).

Such savings are no mystery. Canadian companies pay far less in taxes for health coverage for everyone than the premiums they would pay under the US system to provide their employees with comparable benefits.

Highly placed Canadian business executives affirm that single-payer nurtures free enterprise. A. Charles Baillie, while chairman and CEO of Toronto Dominion Bank, one of Canada's six largest, hailed it in 1999 as "an economic asset, not a burden." He told the Vancouver Board of Trade, "In an era of globalization, we need every competitive and comparative advantage we have. And the fundamentals of our health care system are one of those advantages." He added: "The fact is, the free market...cannot work in the context of universal health care. While health care could be purchased like any other form of insurance...the risk and resource equation will always be such that, in some cases, demand will not be matched by supply. In other words, some people will always be left out." (A recent report by the World Bank ranked welfare states like Denmark, Finland and Sweden high in international competitiveness. An author of the study said, "Social protection is good for business, it takes the burden off of businesses for health care costs.")

In 2002, top executives of the Big Three automakers' Canadian units joined Basil (Buzz) Hargrove, president of the Canadian Auto Workers (CAW) union, in signing a "Joint Letter on Publicly Funded Health Care." At a press conference with Hargrove, Michael Grimaldi, president and general manager of GM Canada and a GM vice president, called single-payer "a strategic advantage for Canada." The joint letter, also signed by Ford's and DaimlerChrysler's presidents and CEOs, Alain Batty and Ed Brust, said that while providing "essential and affordable healthcare services for all," single-payer "significantly reduces total labour costs...compared to the cost of equivalent private insurance services purchased by US-based automakers" and "has been an important ingredient" in the success of Canada's "most important export industry." The Toronto Star explained how the CAW used "credible corporate data" to quantify "the competitive advantage that [single-payer] provides to the Canadian auto industry. The union compared the hourly labour costs of vehicle assembly in Canada and the United States. The Canadian rate, including wages, benefits and payroll taxes, was $29.90 per hour. The American rate was $45.60. (All figures are in US dollars.) Healthcare accounted for more than a quarter of the difference. It saved Canadian employers $4 per hour per worker." Monthly health-coverage costs for Canadian employers average about $50, mostly for items such as eyeglasses and orthopedic shoes; health-insurance costs for US employers average $552, the *Washington Post* has reported.

"The rising cost of health benefits is the biggest issue on our plate that we can't solve," Ford CEO William Clay Ford told a 2003 conference of Michigan business executives. "Healthcare is out of control — it's a system that's broken." Last year the company spent $3.2 billion on healthcare for 560,000 employees and their dependents and surviving spouses, or more than six times net profits of $495 million. William Ford urged a national solution and assigned vice chairman Allan Gilmour to craft a proposal. Early this year Gilmour told fellow industry executives that high healthcare costs have "created a competitive gap that's driving investment decisions away from the US." He told a subsequent investment conference, "We're going to have to have a national solution," only to add, "That national solution does not mean, necessarily, national healthcare." Why not? He didn't say.

After Jack Smith, president and general manager of GM Canada, became president and CEO of the parent company, an ad in the *New York Times* placed by single-payer advocates in 1994 quoted him as saying, "I personally favor single-payer." Now, however, GM "does not support" it, spokesperson Doris Powers told me. Because? "Much has changed in health care since Smith...made statements about universal, single-payer healthcare." What's changed? She didn't say.

A General Motors that hugs single-payer in Canada would seem to have compelling reasons to hug it here. GM covers healthcare costs for 1.1 million Americans. Last year's bill was $4.8 billion — $1 billion more than earnings. In its third-quarter report the company reduced its 2004 earnings forecast because rising US healthcare costs were hurting profits. GM's projected costs for providing healthcare benefits to current and future retirees is $63 billion, a burden immensely heavier than is carried by competitors based in universal-coverage countries, the *New York Times* reported in September. Yet, as the Detroit Free Press has noted, GM "has set aside less than $10 billion for that obligation."

In 2001 GM was reeling from a prescription-drug bill up to 22 percent above 2000's $1.1 billion. "Prescription drugs are the fastest-growing part of GM's health-care costs, accounting for more than 25 percent of its total medical spending last year," *Newsweek* reported. GM was "seeing red" because in 2000 it had spent $52 million just for Prilosec, a brand-name ulcer medicine. "That is millions more than GM executives believe they should have spent," the magazine said. "They blame much of the extra cost on savvy marketing by Prilosec's maker AstraZeneca." GM is fighting back with an "aggressive plan to curb drug spending," Newsweek continued. "Point man" James Cubbin "has been taking his case to senior executives at some of the nation's largest drug makers, including AstraZeneca."

But *Newsweek* — and Powers — missed an embarrassing part of the story. AstraZeneca chairman Percy Barnevik joined GM's board in 1996, while Smith was GM's chairman. Pfizer executive vice president Karen Katen followed in 1997, and the noses of both of these price-gouging drug companies are still in GM's tent. Surprise: The pharmaceutical houses "aren't backing down," *Newsweek* said. Rather than going hat in hand to pharmaceutical executives, Canada uses single-payer's price controls to cap drug prices. In two other universal-coverage countries, Australia and New Zealand, pharmacies charge 20 percent to 30 percent less than in Canada, the *Wall Street Journal* reported in July.

Unlike GM and Ford, DaimlerChrysler supports single-payer. "A lot of people think a single-payer system is better," vice president Thomas Hadrych told the *Washington Post.* Since 1990 Chrysler—and DaimlerChrysler after the merger—has regularly endorsed it, in a letter appended to its contracts with the United Automobile Workers.

No matter how urgently needed, no matter how common-sensical, no matter how much bottom lines would be fattened, single-payer or other fundamental healthcare reforms stall unless backed by the business organizations that govern the government. The Clinton Administration learned this to its sorrow after proposing its complex, comprehensive plan. Business organizations "effectively killed the bill," Walter Maher, former vice president for public policy of DaimlerChrysler, wrote last year in the American

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Journal of Public Health. The bill aroused formidable opposition from businesses such as fast-food chains like McDonald's. It mostly hired young people, worked them less than full time, paid them little and provided scant if any health coverage. Of the PepsiCo chains' hourly employees, a survey indicated, 71 percent were covered by someone else's health insurance. If that someone was a parent employed by, say, an automaker facing global competition, the manufacturer was effectively subsidizing chains that had no such competition. Free-riding defeated a primary goal of the bill, which was to spread healthcare costs throughout the economy by letting no employers escape paying their fair share.

The bill received a big boost when the US Chamber of Commerce and the National Association of Manufacturers (NAM) let pragmatism trump ideology and endorsed it. And the mighty Business Roundtable (BRT), an association of 150 CEOs of the country's biggest corporations, with multitrillion-dollar revenues, was "at least prepared not to oppose" the mandate, Maher said in the article.

But insurers and other businesses that profited from preserving the healthcare status quo exerted fierce counterpressures. The Chamber "suddenly reversed course and totally rejected the Clinton Plan," Maher wrote. The NAM abruptly withdrew its endorsement six weeks after granting it. At the BRT several politically powerful members, including the CEOs of eight major and a few lesser pharmaceutical manufacturers, and of a dozen insurers and healthcare providers, opposed the bill. It got only a single vote — Chrysler's, Maher told me. "It's definitely fair to say that CEOs are very reluctant to take unpopular positions against their colleagues in the BRT," he added. "If a huge majority of them are staunch conservatives who have no interest in health reform, or in using the government to control costs, or to expand coverage, or even to moderate health costs using regulatory tools, it'll be a rare CEO who will want to take on his CEO buddies. That's absolutely true."

Today, BRT executive director Patricia Hanahan Engman contends that "public financing cannot provide the same level of quality doctors, hospitals and prescription drugs generated by the competition inherent in the private market." She should tell that to GM president and CEO G. Richard Wagoner Jr. Judged by sixteen top health indicators, he said in June, the United States ranks twelfth among thirteen industrialized countries. "It will be a cold day in hell when the BRT leads the charge for universal health coverage in the United States," Maher told me.

If the Democrats win the White House and take control of Congress, John Kerry could pass his employer-based healthcare plan, which calls for expanding coverage to nearly 95 percent of Americans, including all children, and for a federal insurance

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Product Recalls

October 15 — November 14, 2004

This chart includes recalls from the Food and Drug Administration (FDA) Enforcement Report for drugs and dietary supplements, and Consumer Product Safety Commission (CPSC) recalls of consumer products.

DRUGS AND DIETARY SUPPLEMENTS

The recalls noted here reflect actions taken by a firm to remove a product from the market. Recalls may be conducted on a firm's own initiative, by FDA request or by FDA order under statutory authority. A Class I recall is a situation in which there is a probability that the use of or exposure to the product will cause serious adverse health consequences or death. Class II recalls may cause temporary or medically reversible adverse health consequences. A Class III situation is not likely to cause adverse health effects. If you have any of the drugs noted here, label them "Do Not Use" and put them in a secure place until you can return them to the place of purchase for a full refund. You can also contact the manufacturer. If you want to report an adverse drug reaction to the FDA, call (800) FDA-1088. The FDA web site is *www.fda.gov*.

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pool that would pay 75 percent of "catastrophic" illness bills. Crucial elements might survive even if the GOP continues to control the House — mainly because of forceful backing from pragmatic business leaders. For example, the Chamber of Commerce signed on early to Kerry's pool idea, calling it "a seed for bipartisan reform." In late October the *New York Times* reported that the Chamber was acclaiming the idea as "a worthy concept, an excellent use of federal tax dollars," while some Senate Republicans are pushing it, and "lawmakers and lobbyists say that regardless of who wins the presidential election, Congress will soon take up the idea." To be sure, Kerry's scheme may face attacks by the usual suspects and the lawmakers they buy. One influential critic, the National Business Group on Health, has more than 200 members, including at least a dozen drug and medical-device manufacturers plus three dozen healthcare providers and insurers. A Wal-Mart vice president sits on its board.

Advocating universal health coverage while the GOP controls the White House and Congress would be "tilting at windmills," DaimlerChrysler's Dennis Fitzgibbons told me. Maher said any industry subject to government regulation "has got to be concerned about irritating the regulator," meaning the Bush Administration. A single-payer reform proposal, by seeking to eliminate the insurance industry, he warned in his article, would make it and many other businesses "instant and unnecessary opponents." He recommends other forms of tax-financed universal health coverage that would use the industry. An example would be a system in which employer/employee payroll taxes would finance coverage for the working population, with employees offered several choices of health plans, as the Federal Employees Health Benefits Plan does. A Medicare equivalent would provide for the elderly and nonworking population.

"I don't believe [single-payer] will be achievable in my lifetime," says Ron Pollack, executive director of Families USA. Ideologues "will never support it." Industries heavily invested in the present system "will spend every last dollar to stop it." He recognizes that on "a blank slate," employer-based coverage "absolutely" makes no sense. But "in terms of political feasibility," trying to dismantle the present system would make matters "much worse," he told me. "The most important thing is the achievement of affordable, high-quality health coverage for everybody." To him, the crucial question is: "At what point are we willing to say that there's a higher principle in truly moving toward universal coverage than in knocking our heads against a stone wall, in absolute frustration about a methodology [single-payer] that is not going to be achievable in our lifetime?"

Surely in a Republican Washington the prospects for publicly financed universal health insurance are remote. But Washington isn't everywhere. Deborah Richter, a Vermont physician, believes it could still be enacted in every state. As president of Vermont Health Care for All, she's been campaigning to that end in her own state for five years, with impressive results. (See page 10.) Universal access to affordable, high-quality healthcare should be conceived "as a public good, as are roads, education, and police and fire protection," she says. Making it "a practical issue works. Trying to win support for it by making it a moral issue never works." By resisting the merger of practicality with morality that universal health care embodies, Corporate America is blowing a supreme opportunity to do well by doing good. Enlightened self-interest this is not. ■

Name of Drug or Supplement; Class of Recall; Problem	Lot #; Quantity and Distribution; Manufacturer
A+D Original Ointment (Lanolin, 15.5% and Petrolatum, 53.4%), 4 oz tubes and 1 lb. jars.; Class III. Mislabeling: The Spanish text on the labeling incorrectly states 7 "horas" (hours) instead of 7 "dias" (days).	Numerous lots; 409,382 units distributed nationwide; GlaxoSmithKline Inc; Zebulon, NC
ADVAIR DISKUS(r) Inhalation Powder, (fluticasone propionate/salmeterol inhalation powder), 100/50mcg, one Diskus Inhalation Device containing 1 Foil Strip of 60 blisters, For Oral Inhalation Only, Rx only, Class II. Defective container; patients may not receive medication as it is advanced through the Diskus unit.	Lot Numbers 4CL035; 4G01A2, 4G02A2; no expiration date provided; 14,160 tubes and jars distributed nationwide; Schering Plough Corp., Kenilworth, NJ
ACEONÆ Tablets, (perindopril erbumine), 2 mg, 100 count bottles, Rx only, Class III. Degradation Failure.	Numerous lots; 22,287 bottles distributed nationwide and in Puerto Rico; Solvay Pharmaceuticals, Inc.; Marietta, GA
Diltiazem Hydrochloride Extended-Release Capsules, USP; 120 mg, 180 mg, 300 mg; 90 count bottle, Class III. Dissolution Failure.	Lot Nos. 0303T01, Exp. 10/05; P03579, Exp. 11/04; 34,786 bottles distributed nationwide; Biovail Laboratories, Inc., Carolina, PR
Isosorbide Mononitrate, 30 mg. Extended release tablets, Rx only, 100 count bottles; Class II. Mislabeling: The label does not declare the presence of the following inactive ingredients: hydrogenated castor oil, lactose monohydrate, microcrystalline cellulose and talc.	Lot No. 43480001; Exp. 08/2007; 39,322 bottles distributed nationwide; Schwarz Pharma Manufacturing; Seymour, IN
Pharmacist Formula, Enteric Coated Aspirin Tablets, 325 mg, 100 count bottles, OTC; Class III. Dissolution Failure.	Lot Nos. 2HA0359, 2HA0629, 2MA0356, 2MA0694; 25,114 bottles distributed nationwide; Leiner Health Products LLC; Carson, CA
Tiazac (diltiazem HCl) 300 mg, 120 mg, 240 mg, and 420 mg capsules,30, 90 and 1000 count bottles, Rx; Class III. Dissolution Failure.	Numerous Lots;27,240 bottles distributed nationwide; Biovail Laboratories, Inc.; Carolina, PR
TIAZAC Capsules (diltiazem hydrochloride), 180mg and 300 mg, Class III. Dissolution failure (by manufacturer).	Numerous lots; 13,320 bottles x 90 and/or 30 count repacked bottles; Amerisource Health Services, Corp; Columbus, OH

MEDICAL DEVICES

Device recalls are classified in a manner similar to drugs: Class I, II or III, depending on the seriousness of the risk presented by leaving the device on the market. Contact the company for more information. You can also call the FDA's Device Recall and Notification Office at (301) 443-4190. To report a problem with a medical device, call (800) FDA-1088. The FDA web site is *www.fda.gov.*

Name of Device; Class of Recall; Problem	Lot #; Quantity and Distribution; Manufacturer
CooperVision Proclear compatibles (omafilcon A). Tinted soft contact lenses in a buffered 0.9% saline solution; Class II. Identified lots of Proclear Compatible contact lenses are counterfeit and may not be sterile.	Numerous lots; 82,268 units distributed nationwide and internationally; 1-800 Contacts Inc., Draper, UT
Sterile Multi-Purpose Solution, NO RUB, for soft hydrophilic contact lenses. 12 fl oz. bottles. Sold under the following brand names: Family Dollar, HomeBest, HEB, Meijer, Food Lion, Health PRIDE, Stop and Shop, Super G, Sunmark, Brite-Life, Wegmans, Our Family, Healthy Generations, GoodSense, Winn Dixie, Finast, Western Family, K C Pharmaceuticals; Class II. Routine testing indicates product does not meet the expiration date in all cases.	All Codes; 2,252,664 units distributed nationwide; K C Pharmaceuticals, Inc.; Pomona, CA

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CONSUMER PRODUCTS

Contact the Consumer Product Safety Commission (CPSC) for specific instructions or return the item to the place of purchase for a refund. For additional information from the Consumer Product Safety Commission, call their hotline at (800) 638-2772. The CPSC web site is *www.cpsc.gov*.

Name of Product; Problem	*Lot #; Quantity and Distribution; Manufacturer*
Barbeque Grills. Gas leak and fire hazard. The burner tubes may not fit fully into the gas valves. If a consumer pulls on the console, the metal may flex and the gas valves may disconnect from the burners, releasing gas and creating a fire risk that could cause injury and property damage.	Five-burner Vermont Castings barbeque grills; about 12,500 sold in Canada and the U.S. from January 2004 through September 2004; CFM Corporation, Mississauga, Ontario, Canada; (866) 333-4833; www.cfmcorp.com
Basketball Shoes. A portion of the sole of the heel can separate or tear during use, which can result in injuries.	Adidas Superstar Ultra and Pro Team Shoes; about 187,000 pairs sold nationwide between January 2004 and October 2004; Adidas America Inc.; Portland, OR; (877) 568-4632; www.adidas.com/recall
Bicycle Forks. The steering tube on the bicycle fork can crack or break, causing a sudden loss of steering control and causing a fall hazard to bicyclists.	Salsa Campeon Bicycle Fork with the Salsa model F-01 Campeon frame set in either White/Black or Red/Black; about 500 sold nationwide from April 2004 through June 2004; : Quality Bicycle Products, Inc.;Bloomington, MN; (952) 941-9391
Bicycle Suspension Forks. The top of the Manitou bicycle suspension fork, when fully compressed, may contact the front tire, resulting in a loss of control of the bicycle and presenting a fall hazard to a bicyclist.	2005 Manitou Nixon, Stance and Sherman bicycle suspension forks installed on various high-end mountain bicycles; about 8,032 sold nationwide from July 2004 through September 2004; (800) 423-0273; http://www.answerproducts.com
Break Cleaner and Brake Parts Cleaner. The affected aerosol cans contain a defective spray valve that might stick when depressed, possibly emptying the can's flammable contents.	Pyroil(r) Brake Parts Cleaner and NAPA(r) Brake Cleaner; 2.8 million cans sold nationwide from March 2004 through September 2004; The Valvoline Company, a Division of Ashland Inc., Lexington, KY; (800) 255-3533
Cell Phone Batteries. Some of the cell phone batteries supplied by the battery manufacturer may be counterfeit. This can cause the batteries to short-circuit, overheat and pose burn hazard to consumers.	Batteries in Kyocera Wireless Corp. Cell Phones; about 1 million sold nationwide from December 2003 through September 2004; Hecmma Group; El Paso, TX; (866) 559-3882; (888) 897-2872; www.petit-bateau.com
Children's Bathrobes. These robes fail to meet the children's sleepwear flammability standards, posing a risk of burn injury to children due to the possible ignition of the garment.	Children's bathrobes, labeled, "Petit Bateau" on the center-back neck edge; about 2,700 sold nationwide from February 2002 through June 2004; Petit Bateau; Millburn, NJ
Children's Chairs. Choking hazard from red plastic feet that can detach from chair legs.	Fargglad multi-color children's chairs; 7,279 sold at IKEA stores nationwide from May 2003 through September 18, 2004; IKEA Home Furnishings; Plymouth Meeting, PA; (888) 966-4532; www.ikea-usa.com
Electric Blankets. When the temperature controller on the blanket is reset multiple times or the blanket is folded or covered with additional blankets, the blanket can overheat. This can result in smoldering and melting, posing a burn hazard to consumers.	Bilt-Safe and Comfort Max Electric Blankets; 13,720 sold to consumers nationwide from October 2003 through February 2004; Bilt-Safe Technologies Inc.; Erwin, TN; (800) 905-0799
Electric Pressure Washers. The electric motor in the pressure washer can overheat and melt the housing, possibly igniting nearby flammable materials or exposing live electrical parts.	BLACK CAT(r) Electric Pressure Washer; about 30,500 sold nationwide between March 2002 and September 2002; Shanghai MeiHao Electric Co. Ltd.; Shanghai, China; (800) 304-1316

Name of Product; Problem	*Lot #; Quantity and Distribution; Manufacturer*
Gas Grills. As consumers adjust the gas pressure regulator (on/off gauge) leading to the propane cylinder, the label on the valve can become positioned in such a manner that it is difficult to read. This can cause consumers to inadvertently leave the gas valve on, posing a fire hazard.	Beefmaster Explorer Outdoor Gas Grill Model Number 720-0001; 10,900 sold nationwide from January 2002 through June 2003; Nexgrill Industries Inc.; Walnut, CA; (800) 913-8999; info@nexgrill.com
Handlebar Bags. The plastic, handlebar-mounted, quick-release bags can fall off the bicycle while it is being ridden, causing the rider to crash.	"Crossroads" and "Perimeter" Handlebar Bags; about 2,600 sold at Cannondale bicycle stores nationwide from September 2003 through August 2004; Cannondale Bicycle Corp., of Bethel, CT; (800) BIKE-USA
Headlamp Batteries. The headlamp battery may overheat, posing a burn or fire hazard to users.	Soliras Headlamp Lithium Ion Batteries; about 1,000 sold nationwide from March 2004 through May 2004; Black Diamond Equipment Ltd.; Salt Lake City, UT; (801) 278-5544; www.blackdiamondequipment.com
Lawn Chairs. The chair arms can break, posing a fall hazard to consumers.	Mainstays Garden Folding Lawn Chairs; about 20,700 sold at Wal-Mart stores nationwide from January 2004 through March 2004; Rio Brands; Philadelphia, PA; (800) 866-8520; www.riobrands.com
Light Fixtures. The decorative metal rings on the ends of the lamp fixtures can detach. Consumers could suffer minor burns if they touch the hot rings.	Hampton Bay(r) halogen light fixtures; about 1,400 sold at Expo Design Center stores from February 2004 to August 2004; Expo Design Center, a division of The Home Depot; Atlanta, GA; (800) 553-3199
Lunch Kits. The pull-up drinking spout can detach from the bottle, posing a choking hazard to young children.	Care Bears Lunch Kits with Water Bottles; about 13,000 sold at Kohl's Department Stores nationwide from July 2004 through September 2004; Sky High International LLC; New York, NY; (800) 868-7870; www.kohls.com
Mattress Pads. These mattress pads fail to meet the federal mandatory standard for flammability under the Flammable Fabrics Act. They pose a serious risk of burn injury or death to consumers if exposed to smoldering or burning cigarettes.	Mattress pads are natural colored, made of 100 percent cotton Chenille, and were sold in twin, full, queen, king and California king; about 2,900 sold nationwide from December 2003 through March 2004; Chris Arlotta Enterprises Ltd.; New York, NY; (888) 779-0711
Pouch Laminators. Improper wiring at the heating coil could cause the pouch laminators to overheat and become a fire hazard.	H300 and H200 model HeatSeal(tm): Pouch Laminators used to laminate documents and photos; about 34,600 sold nationwide from September 2003 through September 2004; General Binding Corp., Northbrook, IL; (800) 541-0094; www.gbcoffice.com
Radiant Heaters. Recessed thermal protector may cause a fire hazard if heater is left on while covered by a blanket or similar item.	Aloha radiant heaters, Model 02931; about 30,000 sold at Wal-Mart stores nationwide from mid-September 2002 through April 2003; Aloha Housewares Inc.; Arlington, TX; (800) 295-4448
Rattles. The spiral section of the rattle can come apart, releasing small balls inside. This can pose a choking hazard to young children.	Earlyears(r) Spirolly Rattle; about 1,600 sold nationwide from August 2004 through September 2004; International Playthings Inc.; Parsippany, NJ; (800) 445-8347; www.intplay.com/recall
Safes. These safes can be opened without the use of a combination by jiggling the door knob. This could allow unauthorized access to a hand gun and the potential for serious injury.	Stack-On Strong Box Safes; 1,320 sold nationwide (period not provided) through gun supply stores, sporting good stores, and safe retail stores; Stack-On Products Company,;Wauconda, IL; 800-323-9601
Toy Cars and Washing Machines. The multicolored beads inside the toys can become accessible to children, posing a choking hazard to young children.	Toy Ice Cream Car, Police Car and Washing Machines; about 128,880 sold nationwide from June 2000 through September 2004; Tai Tung International, Inc.; of Los Angeles, CA; (800) 516-2988

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The View From Vermont

By Morton Mintz

Originally published by Morton Mintz in the November 15, 2004 issue of The Nation. *Read and subscribe to* The Nation *at www.TheNation.com.*

Dr. Deborah Richter has advocated state-sponsored health insurance for every Vermonter at nearly fifty Rotary Clubs plus chambers of commerce and boardrooms. The reservations she heard from the business community are (1) they don't trust the government with healthcare, and (2) they fear that initially acceptable tax rates would soar as people came to view universal health coverage as a "blank check." "I agree with the business community to some extent," Richter told me. Under universal healthcare, decisions would have to be made about "egalitarian rationing," so as to meet everyone's basic needs while denying some things to anyone.

To pay the bills, public funds now financing Medicare, Medicaid and other government programs would, with a federal waiver, be funneled into a unified system. Payroll taxes — 5.8 percent on employers, 2.9 percent on employees — would replace premiums and deductibles. There would be a $10 co-payment for most services. The annual cost to employers would be about $1,450 per worker, far less than the cost of insurance premiums.

> *Yet pay-as-you-go does not guarantee healthcare to each of us should we get sick or be injured.*

"Savings could go to prevention and public-health improvement, further reducing long-term costs," Richter said. "Losing or changing jobs would not mean losing or changing health insurance. Most families and employers now paying for insurance would have decreased costs. Family impoverishment and bankruptcy due to illness would be eliminated. The cost-shifting that plagues our hospitals would be eliminated."

Richter senses "an increasingly positive response" to this plan because business people, especially manufacturers, are "getting killed" by the rising costs of healthcare. And they are disturbed — "feel like they're reneging" — when they must cut back benefits, she said. One employer of 100 Vermonters, hit by a 58 percent rise in a single year and expecting a 15 percent increase on top of that the next, told Richter he was thinking of moving his operation to Canada.

Richter believes the current system focuses excessively on payment for care of the sick — "pay as you go," she calls it. The "nutshell problem" with this is that it demands "a massive bureaucracy to limit individual utilization and to administer payments," she says. "The number of healthcare administrators needed to limit individual utilization" increased 2,500 percent between 1970 and 2000, while the

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CONSUMER PRODUCTS *cont.*

Name of Product; Problem	*Lot #; Quantity and Distribution; Manufacturer*
Utility Lighters. The utility lighters may spill fuel from the nozzle when first used, causing a potential fire hazard through a secondary source of ignition.	Zippo MPL (Multi-Purpose Lighters) 101,557 sold nationwide from October 2003 to September 2004; Zippo Manufacturing Company; Bradford, PA; (888) 670-2940; www.zippomplrecall.com
Utility Vehicles. The lower steering shaft assembly may have a missing or misplaced weld that connects the steering wheel to the steering gear box assembly. If a weld is missing or misplaced, the lower steering shaft assembly could fail, causing the operator to lose control of the vehicle.	Polaris "RANGER 4x4" Utility Vehicles; about 2,150 sold nationwide from June 2004 to September 2004; Polaris Industries, Inc.; Medina, MN; (800) 765-2747; www.polarisindustries.com
Utility Vehicles. Loss of brake system pressure can decrease the effectiveness of the brakes.	John Deere Gator HPX Utility Vehicles; 14,746 sold nationwide from December 2003 to October 2004; Deere & Company; Moline, IL; (800) 537-8233; www.johndeere.com
Water Dispensers. The hot water faucet on these units has a child-resistant safety feature to prevent young children from accessing the hot water. The device can malfunction so that the faucet will not turn off, causing burn injuries to children.	Avanti Water Dispensers, model numbers WD32, WD 50, WD 50.1, WDT51, WDR 52 or WHC 59; about 124,000 sold nationwide from July 2000 through August 2004; Avanti Products Inc.; Miami, FL; (800) 366-0339; www.regcen.com/waterdispenser

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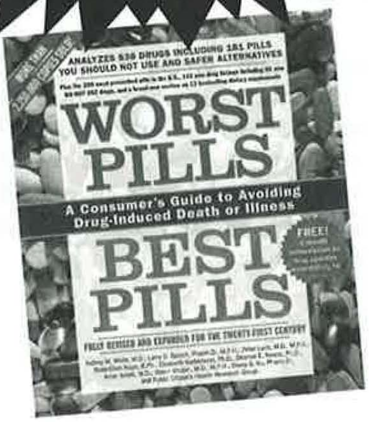

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Note to Readers:
We thought the opening article of this issue was outrage (or outrageous) enough, so, because of space constraints, we are not printing another "Outrage of the Month" in December.

PAY-AS-YOU-GO, *from page 10*

number of doctors increased by only 150 percent, she pointed out.

"Yet pay-as-you-go does not guarantee healthcare to each of us should we get sick or be injured," Richter continued. "People who need disease management to avert, delay or moderate serious medical disorders don't get it. Diabetics are an example. How can they get disease-management without health insurance? And how can they get that insurance when for insurers — businesses whose first obligation is to the shareholders — the game is to insure healthy people? "We're headed for a train wreck," Richter warned. "We must replace pay-as-you-go, with its emphasis on individuals, with the 'investment model,' in which the whole society invests in a public good that we all may need but cannot provide for."

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