

Recent Policy History

1. The American Model started in 1942*

- In 1942 the U.S. set up the National War Labor Board as a mechanism for avoiding wage driven inflation that had ruined Germany after WWI. It set controls on wages
- Unions were upset, talked about striking, and the War Labor Board appeased them by exempting the health insurance fringe benefits from the wage controls, and from income taxes.
- So, the expenditures by employers were tax deductible, but also exempt from income taxes for workers.
- Huge increases in employer paid health insurance followed— by 1950 ¾ of all large employers had plans
- Biggest government program ever in the U.S (in terms of use of tax dollars).

2. Failures of NHI mandates by Truman, Nixon, Clinton (Managed Competition)

3. 2008 AQC started by BCBSMA Capitation + Quality Incentives

4. Obamacare ACA

* <http://truth-out.org/archive/component/k2/item/81534:how-the-american-health-care-system-got-that-way>