

States of the Union

THE BATTLE OF PILL HILL

BY RICHARD J. MARGOLIS

THE PRETTIEST and costliest real estate in Bismarck, North Dakota, lies atop a high bluff overlooking the wide Missouri. Bismarckians call it "Pill Hill," in tribute to the many physicians and their families whose large houses dominate the rim. The tribute is not without gall, for the townspeople know precisely how much of their money as patients was required to attain such pleasant vistas for the doctors.

The price of health care in North Dakota, as elsewhere, has been locked in an upward spiral for the better part of two decades. Doctors' fees since 1965 have soared nearly 300 per cent; hospital rates, a whopping 570 per cent. "It's getting so," a North Dakotan told me recently, "that the people are as afraid of health care as they are of illness. They simply can't afford the treatment."

Now, thanks mainly to the efforts of a maverick politician named Byron Knutson, the folks in North Dakota have a chance to roll back the prices and maybe also to redirect their health care system along more sensible lines. The instrument of possible deliverance

is a statewide "initiative" that Knutson and others have placed on the ballot for November 7. Officially termed "A Measure to Grant to the People of North Dakota the Ability to Control Health Care Costs"—and unofficially known as "Knutson's Idea"—the initiative empowers the state health officer to "set maximum charges to be allowed for any health service delivered in North Dakota." The emphasis is on *any*. As the measure specifies, controls would apply not only to doctor and hospital fees, but also to charges levied by clinics, nursing homes, pharmacies, dentists, opticians, physical therapists, and chiropractors.

In addition, Knutson's initiative requires the health insurance commissioner to develop a plan for statewide health insurance "that shall not be excessive," and to put that plan on the ballot in 1980. It may come as no surprise to learn that North Dakota's present insurance commissioner happens to be Byron Knutson, and that he will be up for reelection, if he chooses to run, in 1980.

A 48-year-old Democrat with a taste for *sturm* and *drang*, Knutson has been in and out of public life since

the mid-'50s, when he served a couple of terms in the State Legislature. After that he got a job as station agent and telegrapher for the old Sioux Line railroad. When he saw that the line was going bust, Knutson and his family moved to Bismarck so that he could attend the University of North Dakota in pursuit of a master's degree in political science. He never got it. Instead, in 1976, he ran for state insurance commissioner, and to the astonishment of nearly all the experts, he won.

Everyone in North Dakota I asked—friend and foe alike—was quick to inform me that Knutson was a populist, a term by no means pejorative in a state still proud of its radical origins. North Dakota was once a hotbed of agrarian socialism and a hothouse for the care and cultivation of Edward Bellamy's Cooperative Commonwealth. To this day it remains the only state that owns and manages a grain mill and elevator as well as its own bank.

On the other hand, most North Dakotans either live on a farm or come from one (the state economy is 75 per cent agricultural) and tend toward a conservative life-style. The citizenry is both frugal and suspicious of wealth and ostentation (hence its quarrel with Pill Hill); it is also suspicious of government, which seems constantly to be interfering with private endeavor, and of college professors, who seem constantly to be dreaming up new ways for government to interfere. It may be significant that several of those I interviewed who oppose the initiative called it "socialistic," and in almost the same breath reminded me that Knutson had spent a lot of time "hanging around the University."

North Dakota's sizable contingent of German-Americans only reinforces the ideological contradictions in a state where radical and conservative impulses uneasily coexist—as often as not in the same individual. The state capital, after all, was named for the "iron and blood" chancellor of Germany who once described universal suffrage as "the government of a house by its nursery"—hardly a popu-

list notion. Still, it was Bismarck who brought to the Western world its first experiment in compulsory national health insurance, an idea whose time in the United States has not yet come.

Knutson thinks North Dakotans are ready for cost controls, however, and possibly for government-mandated health insurance as well. He and a few friends got the idea for an initiative in July, just after the House Committee on Health, Welfare and Education had defeated President Carter's hospital cost-control bill by a single vote. "We decided it was no use waiting for Congress to help us," Knutson recalls. "Congress was in the arms of too many special interest groups. If we wanted to do something about health care in North Dakota, we'd have to do it ourselves."

Having drafted the initiative, Knutson and a small cadre of volunteers fanned out across the state gathering petition signatures that would place it on the November ballot. They needed 10,000 and collected 13,500—an impressive total, since North Dakota's population is below 650,000. (The most recent statewide primary attracted only 70,000 voters.) "We've been getting overwhelming support for the measure," says Knutson. "I think we're going to win."

Most of the traditionally liberal organizations in North Dakota—the Farmers Union, the rural electric cooperatives and the labor unions—have remained silent on the health initiative. But many of their members are working for passage, and Knutson is counting on their votes in November.

The opposition, having been caught by surprise, has been slow to gear up. In mid-September the state medical society sent a letter to members asking each to contribute at least \$250 to a war chest; the hospitals and the nursing homes have done the same, suggesting minimum contributions of \$500. The dentists, the pharmacists and the chiropractors have likewise sounded the tocsin. By including all branches of the health care clan in his cost-control initiative, Knutson seems

to have guaranteed broad-based opposition.

If anyone is orchestrating the anti-initiative campaign, it is the Greater North Dakota Association (the Chamber of Commerce) and its executive secretary, Richard Crockett. To the coalition of health care providers, they have added the banks, the retailers and the Farm Bureau. "The people of North Dakota don't want this thing," Crockett told me. "Why, I've had little old ladies come up to me on the street and offer me a dollar to help us fight the initiative."

A key argument of Crockett and others is that passage will drive more doctors from North Dakota. The state only has about 650 doctors now, and a large proportion is clustered around Bismarck and Fargo, leaving dozens of rural counties without adequate services. As the Medical Society likes to point out, quite a few of the doctors in North Dakota are refugees from the province of Saskatchewan, which years ago "went Socialist" by putting doctors on salaries and instituting universal compulsory health insurance. Physicians migrated south in droves. Conceivably, the North Dakota exiles could decide to flee again.

Knutson's answer to all this is rhetorical but popular. He tells doctors to stop worrying about money. "It is time," he says, "to beat your silver into stethoscopes."

WHATEVER its outcome, the North Dakota health initiative gives rise to some interesting considerations. To begin with, it appears to be an extension of current taxpayer agitations, but one more reasonable than most. The targets of citizen anger in this case are well-chosen: They are not municipal workers or welfare mothers; they are persons and institutions who have long been accumulating inflated profits at the public's expense. Knutson's idea, therefore, is the sunny side of Proposition 13—a populist-style revolt that hits the mark.

Second, the North Dakota initiative can renew the lagging fight nationwide

for universal health insurance, and it can do so on a level that reformers originally tried, and then abandoned, more than half a century ago. The first organized push for health insurance occurred between 1912 and 1920. The campaign, spearheaded by a coalition of liberals known as the American Association for Labor Legislation (AALL), was waged on a state-by-state basis. More than a dozen states—including New York, Massachusetts, Wisconsin, and California—came close to passing health insurance legislation, only to be deflected at the last minute by the American Medical Association (AMA) and the onset of World War I.

In the beginning, let it be noted, AMA leadership *favored* the reform. Dr. Rupert Blue, the AMA president in 1916, predicted publicly that "health insurance will constitute the next great step in social legislation." That same year an editorial in the *AMA Journal* declared, "No other social movement in modern economic development is so pregnant with benefit to the public." It was only after the rank-and-file AMA membership deposed its leaders that the organization reversed itself and adopted its now familiar stand against universal health insurance.

With the New Deal came a widespread conviction that the best place to engage the AMA lobby was not in the several states but in the single Congress of the United States, and that has been the accepted wisdom ever since. Capitol Hill, though, has turned out to be a glorified Pill Hill: It is the roosting place not only for the AMA but for such spoilsports as the American Hospital Association, the Association of American Medical Colleges and the Health Insurance Association of America—all firmly committed to keeping things as they are.

Faced with two generations of Congressional dalliance, North Dakota has revived the old AALL vision of a state-by-state crusade for the lost reform, one that remains "the next great step in social legislation." Perhaps Washington will get the message.