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# Proving the Skeptics Wrong: Why Major Health Reform Can Happen Despite the Odds

*Chris Jennings*

It comes as no surprise that, for the first time in nearly 15 years, a serious debate has emerged about the need to ensure quality, affordable coverage for all Americans. The statistics and stories about cost, coverage, and quality shortcomings abound and are indisputable. Setting the human consequences aside, the economic, budgetary competitiveness and demographic challenges facing the nation demand pragmatic and comprehensive reform. As health care costs (and cost-shifting from the uninsured) weigh down businesses and workers alike as well as federal, state, and local governments, stakeholders and forward-looking policymakers have started the drum-beat of reform — to the relief of most Americans.

Yet, since Washington insiders' default wisdom is that past is prologue, they will be the last to conclude that meaningful reform is possible. They will, instead, prognosticate that the health reform debate is headed for gridlock or, at best, incremental interventions, citing new seemingly insurmountable fiscal challenges, ideological differences, competing priorities, the deficit, and health reform history. They will say that little has changed since 1993 — other than it has become harder to achieve the goal of constraining costs and improving value while expanding coverage to millions of Americans. Some will even be comfortable serving as self-fulfilling prophets.

While it may be true that predicting little to nothing will emerge out of Washington is all-too-often a sure bet, there are numerous reasons to challenge the conventional “gloom and doom” outlook for health reform. The truth is that the environment around and receptivity toward reform has substantially changed and increases the chances for reform. Six developments that contrast with 1993 are particularly worth noting.

## **Lessons from the 1993 Debate Have Been Learned Thus Far**

The lessons from the comprehensive reform attempt in 1993 have been applied to the policy proposals offered in the recent presidential campaign and through the transition process. Understanding that most voters have insurance and are worried about premiums, cost-sharing, and/or losing coverage, President-elect Obama has stressed the need for greater affordability and quality as the necessary elements of achieving coverage for all (and stopping cost-shifting from the

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uninsured). Recognizing the political vulnerabilities from the Health Security Act, his policy includes no mandatory alliances (i.e., purchasing coalitions), no price controls (i.e., premium caps), no small business mandates, and no new federal bureaucracies. Furthermore, President-elect Obama has indicated that he has no intention of unveiling a large, detailed bill — a vulnerability in 1993 — and that he will lead — not micromanage — Congress on the development of the eventual legislation. And perhaps most sig-

involvement of, and investment in, the business community could well provide the justification for swing moderate Republican and conservative Democrat votes for health reform — votes that were all too rare in 1993-94.

### **The Emergence of New Quality/Value Debate**

While costs were certainly highlighted in 1993, the cost containment interventions advocated then frightened providers and led to fears of rationing and poor

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nificantly, he has recognized that success in managing the economy and the federal budget cannot be done independently from health reform and that up-front investment will be necessary to achieve the affordability, accountability, and access goals of reform. All these decisions and statements clearly reflect lessons learned from the 1993 debate, lessons that will substantially increase the chances of eventual passage.

### **All Sectors of the Business and Labor Communities Are Engaged**

Because of fears of no longer being able to compete domestically and internationally as well as retain a productive workforce, unprecedented numbers of small and large, retail and manufacturing businesses are joining labor representatives in calling on Congress and the White House to act to reform the health system. The breadth of business interest in reform did not occur in 1993; to the contrary, many led charges against it. Today, the business community is stressing the need to stop the cost-shifting from the uninsured and federal health programs. As such, businesses and their labor counterparts are aggressively promoting reforms that ensure greater accountability and affordability for all, and are joining broad-based coalitions to achieve these goals.<sup>1</sup> This is significant — as the

quality. Today's commitment to "value over volume" purchasing, virtually non-existent 15 years ago, focuses on improving quality and creating financial incentives to achieve it. This non-regulatory, no-blame, patient-provider empowerment theme brings all players (patients, providers, businesses, labor, plans, manufacturers, etc.) to the table in a constructive way that acknowledges that value, quality, and affordability are inextricably linked and are necessary preconditions for sustained support for coverage for all. Equally important, it fully takes advantage of the medical community's expertise and essential role to any health reform debate. As it does, it promises to address the fact that as much as one-third of the health procedures performed in the U.S. are of "questionable benefit" — costs that could and should be redirected in far more productive ways.<sup>2</sup>

### **Increasing Recognition That Incremental Approaches Are Neither Easy Nor Particularly Productive**

The last 15 years of post-1993 incremental health reform frustrations and gridlock well illustrate that smaller is not necessarily easier. To the contrary, Washington institutions are geared to stop or slow down targeted reform, and time and again they have

proven themselves. On the other hand, when presented with all or most of the pieces of broader health reform, they see opportunity to rationalize what they, too, fully understand is an unsustainable system. It also gives policymakers more levers to pull to seek and achieve consensus. But beyond constructively altering the political terrain, most increasingly see the value and efficiency of a reformed system competing on cost and quality — and not risk selection. And virtually all understand that investment in prevention, system modernization, and delivery reform pays greater dividends if all Americans are in the system. The truth is that congressional leaders — frustrated and weary of years of unproductive and sometimes destructive nibbling around the edges of health reform — are increasingly longing and calling for a meaningful debate. And, perhaps ironically, the current and ongoing crisis — and desire to address it — has given rise to a greater appetite for fundamental change and comfort with an enhanced federal role in mitigating national economic and health care challenges. Yes, policymakers will need presidential leadership, but it is increasingly becoming clear they will get it.

### **Bipartisanship, Legislative Successes, and Reform Groundwork Precede the 2009 Debate**

Prior to the last major debate, there was little bipartisan collaboration that signaled the possibility for compromise and consensus amongst the parties. Today, the formation of the health reform's "Leaders' Project" of the Bipartisan Policy Center (by former U.S. Senate Majority Leaders' Baker, Daschle, Dole, and Mitchell) demonstrates an ongoing commitment by prestigious leaders from both parties to help the incoming administration and Congress successfully take on this issue. Even more impressively, a Democratic legislature and a Republican governor enacted and began to implement reforms designed to cover all citizens of Massachusetts. Other states and the U.S. Congress have already seen bipartisan universal coverage legislation introduced as well. Chairs of congressional committees are already starting the educational and political investment process. And, notably, as a former senator, President-elect Obama has a record of bipartisan achievement and well knows how the corridors of power work. The importance of relationships and experience in this venue cannot be overstated.

### **Full Engagement of Influential Stakeholders and Validators Largely Perceived to Oppose Reform in Past**

Although politicians in elections often castigate the roles of "special interest" groups, the truth is that the health care stakeholders have much to offer in achieving workable reforms. Far from standing in the way of reform, most are now engaged in embracing it. They recognize that the current system cannot sustain itself and are ahead of the some politicians in Washington in their openness to broader reform. They fear a total meltdown of the system in the next few years could bring poorly designed reforms that could be counterproductive to their interests (and the patients they serve) and lead to industry scapegoating. As such, health care providers, plans, manufacturers, and others are signaling their openness to compromise, their willingness and desire to negotiate and work across sectors and ideology to achieve success. And the stakeholders are not alone. High-profile economists — from Federal Reserve Chairman Ben S. Bernanke to Congressional Budget Office Director Peter R. Orszag — have recently warned of the crucial and fundamental role rising federal and national health costs play in our nation's deepening fiscal challenges, fully recognizing that the second best option is no longer to do nothing.

### **Conclusion**

Not one of these reasons is sufficient to have confidence that the undeniable political and financial barriers to meaningful health reform can be overcome. Taken together, though, they represent a compelling compilation of developments that may well conspire to accelerate the economically and morally inevitable — this nation's need to reform our health care delivery and financing system to ensure quality affordable coverage for all Americans. To the skeptics and cynics, it may be wise to heed the counsel of Nelson Mandela — often cited by Senator Tom Daschle in the context of health reform: "It always seems impossible until it is done."

### **References**

1. Several coalition groups have emerged, including Better Health Care Together, Divided We Fail, Coalition for Affordable Health Coverage, Coalition to Advance Health Reform, and the National Coalition on Health Care.
2. E. McGlynn, "Assessing the Appropriateness of Care: How Much Is Too Much?" RANA Research Brief, Santa Monica, CA, 1998.