

System 2009
Dave Durenberger
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While **Tiger Wood** and **Padraig Harrington** were tuning up for their Thursday PGA match at Hazeltine G.C., veterans of the 1993-94 health reform effort gathered in Washington DC to discuss the 2009 reform effort. In April of 2008, each of us had been part of a group of some 40 plus vets who spent a weekend together at a conference center across the street from Hazeltine in Chaska. The result of that weekend was a set of 10 recommendations to those who next tackle health reform, on how to improve on our results. We called it System 2009 to reflect our consensus that anticipating the environmental challenges around reform are greater than the reform plan itself.

And so it is. Meeting at the New America Foundation at the invitation of its **Len Nichols**, we started by crediting President Obama and the Congress with having taken to heart many of the lessons from 1993-94. A lot of the obvious mistakes made then have not been repeated. Even in April 2008 none could anticipate the economic problems challenging the new administration and the promise of health reform. The President has appropriately tied the need for reform to the consequences of an unaffordable economy. We spent much of our time this evening critiquing his messaging or communications, the management of the process and the politics, and the management of the medical industry stakeholders.

Messaging and Communication.....It was appropriate for the President to launch reform on the backs of the recession and the long-term consequences of doing nothing on health care costs. But it is not the only or the most important message. Americans are much better informed today about the problems in health care than we give them credit for. The President has yet to give Americans an opportunity to see what it would be like to live in an improved American health system and where they could see it in America today. As a consequence the opponents of health system change and policy reform in 1993-94 are back to play on the increasing reliance of Americans on radical radio and cable they agree with for information on what government in Washington is up to.

Senior citizens are the “political ballgame” and leaders need to make their case. Proposals by medical industry groups to take reductions in Medicare payments as “contributions” to reform have been easily turned into threats to balance coverage expansion on the back of elderly and disabled. The Presidential

promise of no change prompts the question: "Then why do all if this if we don't have to change if we don't want to?" **Michael Lind** at New America put it well: "People don't believe the President when he says we can have all these good things without paying for it." It would be most helpful if there were a **C. Everett Koop** or some other "great American health care leader" around to make the case for change and policy reform that facilitates it.

Managing the process and partisanship....Given the serious economic environment the new President faced, he may have taken a pass on health reform this year, but chose to make it a part of the stimulus and of the nation's long-range economic recovery. Unfortunately he lacks the strong team to meet the depth of the challenge, the complex reaction to changing a system so differently experienced, and a congress already burdened by meeting all the expectations of the last election. The loss of and failure to adequately replace Tom Daschle was a serious blow. Add to that the absence of a strong Congressional team led by Ted Kennedy who knew how to achieve some level of bi-partisanship. No one anticipated that all the political opposition to Clinton reform in 1993-94 would be back in charge of the opposition starting with Gingrich, Armev, Kristol, Betsey McGaughey and others.

This is likely to be a Democratic bill in the end, but that won't be easy because the party's more experienced liberal faction has been working for universal coverage for decades and will not give up this year. The conservative Democrats, especially those new to the Congress in the last two terms, will be critical to the final result. The House leadership has done an excellent job so far setting out policy goals and bringing "blue dogs", but the absence of any veteran Republicans in either House is being felt.

Managing the system's stakeholders.....Interest groups are powerful engines for the status quo or tools for defeat if mobilized. Their engagement in the reform process is critical. The Congress and the White House definitely were responsive to the veterans' advice that stakeholders be kept in the room but not at the center of decision-making. Each should be given a stake in a part of the answer and it is in this the congressional and White House negotiators have been pretty good. Not all have contributed equally and some (insurance) have definitely suggested they can contribute more to the ultimate solution than others (drugs).

Other Conclusions.....Do not let the perfect be the enemy of the pretty good bill . . . We are farther ahead on insurance reform than expected and that needs to be the focus of intense negotiations to

maximize accomplishments. . . It is not a radical enough change in care delivery to sustain the promise of change . . . geographic variation in practice and payment is now well enough known to make it a remedy, but it is also a major political challenge . . . No one really expects much Republican support . . . Chuck Grassley has been threatened with the loss of the Judiciary Committee chair he wants next term if he supports health reform. This makes Baucus' job even more difficult. . . . There will be a bill passing Congress. Will it be adequate to the challenge of health reform? People expect final passage of the bill as early as mid-October, as late as December 23rd.