



NATIONAL INSTITUTE OF HEALTH POLICY

Advancing health policy dialogue in the Upper Midwest

Commentary from Dave Durenberger

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Bono at the Grammy's and the National Prayer Breakfast

Irish rockers U-2 were a big winner at the Grammy Awards last night. The best: "How to Dismantle an Atomic Bomb." Lead singer Bono was an even bigger hit last Thursday at a Senate-House sponsored breakfast in Washington D.C. which for 54 years has been called the National Prayer Breakfast.

Drawing on the faith of his Catholic mother and Protestant father, with a reminder of the 2000⁺ references to the poor found in the Christian bible, Bono stunned the attendees with his heart-felt eloquence and a memorable bottom line: "*Where you live should not determine whether you live.*" (Click [here](#) to read Bono's entire speech.)

But it is important for us to remember that his message about Africa and poverty is not a new one, nor is it new to him. My son recalled his first U2 concert 20 years ago when Bono expressed similar messages with his lyrics in songs like "Sunday Bloody Sunday."

Bono last week was a tough act for President Bush to follow. But he did. Just before Air Force One took off for 3M Company in St. Paul and the President's speech on global competitiveness.

President Bush's Budget

The consensus word to describe President Bush's budget recommendations for FY 2007 is "unrealistic." Spending and tax cuts are popular, deficits don't have immediate consequences, and no one believes Bush will ever veto anything Republican.

The President recommends \$2.77 trillion in federal spending starting October 1, 2006 with \$980.15 billion for entitlement programs and \$247.32 billion for the net interest on the national debt of \$8.2 trillion which helps pay for them. Again he resists asking Americans to pay for the growing wars in the Middle East, for the new Homeland Security efforts, or for the Katrina/Rita natural disasters

Perhaps to prove how difficult it has become for a President to be presidential in his second term, the President passed up the opportunity to do serious income tax reform by leaving the recommendations of his Bipartisan Commission on Reform to gather dust along with conservative flat tax and value-added tax proposals.

He did determine to do a lot more tax spending by endorsing the expansion of Health Savings Accounts (HSAs) to the tune of another \$60 billion in federal tax spending over the next five years. What's hard to fathom about this one is the degree to which the HSA is a heavily tax-subsidized retirement savings plan for the well-to-do, disguised as access for the low-income uninsured at a time when we're trying to exert fiscal discipline.

As we have predicted many times to doctors and hospitals, the new drug benefit, the new Medicare payments for private health insurance companies, and the new HSA-driven insurance products are going to be financed out of what could have been more adequate reimbursement of the cost of acute and long term care services.

Congressional Earmarks

Some may not know that an earmark is a tag clipped to the ear of livestock animals to identify them. So, in Congress, the term "pork barrel" politics might lead you to assume the "earmark" animal is a pig – or a hog – which is readily identified with a member of Congress eager to be re-elected by consumers of pork.

In Congress, however, an earmark is a narrowly focused appropriation designed for local projects which have never gone through (as policy) the Congressional authorizing process (or have, and been rejected). There were 4,155 earmarks for 535 districts/states when I left in 1994, and 14,211 worth \$53 billion in 2004. Their growth as a political tool is attributed to Newt Gingrich who, as House Speaker, advocated their use to help in GOP re-election campaigns.

The Hutzpah Award for the latest, most blatant, "earmark" goes to GOP Senate Whip Mitch McConnell of Kentucky. On February 20th the University of Louisville will open a new \$14.2 million library wing including the new Elaine L. Chao Auditorium. All the money came from a McConnell earmark of federal taxes. Who is Elaine L. Chao? Current Secretary of Labor and the wife of Senator Mitch McConnell! There was a day when this was hard to believe, especially of Republicans.

Do Deficits Matter to Republicans?

No evidence of that in the first five years of the Bush administration, as spending increased three times faster than taxes, taxes were cut without off-setting closure of

tax loopholes, and the President has yet to veto any congressional spending. One may criticize GOP governors for either cutting spending too much or cutting taxes too little. Some, like Mitch Daniels in Indiana and Dirk Kempthorne in Idaho, actually increased them. In the end, even Republican governors have to live within their fiscal means by balancing state budgets.

National Republicans have dealt with deficits in the past. I think of 1982 when President Reagan and Congress raised taxes to offset the impact of tax cuts and inflation or back in 1984 when we enacted Gramm-Rudman-Hollings and the theory of no new spending without revenue to pay for it. In 1986 we reduced the marginal rate of income tax from 50% to 28% and paid for it by cutting tax spending – the tax preference “loopholes.”

In 1990 a recession and the Democrats forced George Bush I to “move his lips.” In 1997 the Republican House under Bill Thomas-Newt Gingrich cut way back on entitlement spending, especially in Medicare, only to give up and “give-back” to special interests in 1999.

Resurrection

Just when we might have given up on House Republicans as brain-dead to the public impact of the DeLay-Cunningham-Abramoff—and “more to come” scandals, they surprised us by choosing Congressman John Boehner of Ohio as Majority Leader over leading candidate and caucus Whip Roy Blunt of Missouri.

Boehner was elected in 1990 with six reformist colleagues who were quickly tagged “The Gang of 7.” The “gang” rose fast in the Gingrich leadership and the Contract for America majority victory in 1994, before being derailed about the same time Newt was bounced from the Speakership over ethics problems.

Boehner later became chair of the Education and Workforce Committee by jumping over more senior and moderate Tom Petri of Wisconsin. He built a solid reputation as an effective fund-raiser, helping DeLay and others cement the K Street/GOP leadership connection, usually around former members of the House GOP caucus and former House staff recycled as lobbyists. But he does oppose “earmarks.”

You may be wondering what’s new? A caucus labeled “desperate” to replace the Tom DeLay it adored just three months ago with a different sort of leader, looks like it found a colleague of DeLay’s talent with a sweater instead of a shirt and tie. Once caught passing out checks from tobacco companies on the House floor, Boehner said after his election, “I have never done anything unethical.” Okay, John.

Rumor Mill

Two rumors behind the surprise second-ballot Boehner victory: Ways and Means chair Bill Thomas is required to step down at the end of this year unless he can get leadership support for a waiver to stay on. Bill surprised many by giving Boehner's nominating speech. But Louisiana's Jim McCrery is also close to Boehner and is believed able to jump Wally Herger, Clay Shaw and Nancy Johnson for Bill's job.

Earlier in the week before the Thursday vote, Boehner was observed spending time over on the Senate side of the Capitol. Guess what? Former House members in the Senate have a great influence on members of Congress, especially if they are a former GOP Majority Leader who wants very much to get the job back when Dr. Bill Frist leaves the job and the Senate at the end of this year. Trent Lott's sights are set on being Majority Leader again, and he senses George Allen and Mitch McConnell will be the most likely candidates to beat. Because Allen was instrumental in the December 2002 replacement of Lott by Frist as Majority Leader, Lott needs help in steering votes away from Allen in either McConnell's direction or, if the caucus feels as he hopes they do about him, in his. So he helps Boehner, and...

If you want some background, and an interesting read, by a man who has been humiliated, as he says, "not by friends, but colleagues," and learns the difference the hard way, please read Trent Lott's *"Herding Cats,"* published in 2005 by Regan Books. While in the politics section, find a copy of former Democratic Majority Leader Tom Daschle's *"Like No Other Time"* from Three Rivers Press.

Lobbying Reform: A Public-Private Partnership

Reform. It won't happen. Not because Democrats don't want to embarrass Republicans. Of course they do. But rather because neither party's Congress members really believe there's a problem. It's really that simple. They think Abramoff's a problem. Ex-Congressman Randy Cunningham's a problem. The Houston prosecutor going after Tom DeLay is a problem. And newspapers are a problem.

My former Senate colleague Al Simpson from Wyoming used this marvelous characterization of people in Congress: *"If you don't know what you're doing and how to do it when you come to Washington D.C., you'll never learn it here."* Democratic Congressman Jim Cooper of Tennessee describes it as the frog and the boiling water analogy. The water is always cool for the new arrival and "what goes" becomes the standard.

As if to prove that point, my friend and first-term MN Republican Senator Norm Coleman yesterday questioned the ethical value of banning members from accepting gifts of travel from private sources. He is quoted as defending privately-funded trips, calling them a "public-private partnership."

What I Miss About Washington D.C.

In just two days in the nation's capital last week, the *Washington Post's* Metro section taught me what I miss by living in Minnesota.

Sample headlines:

- “DC Police officer kills herself at 911 Center”
- “Three decades after he stole \$1 million dollars from the federal government and eight years after he beat his mother to death, William Sibert stood on a train track in Laurel last week (20 days after his release from jail) facing the CSX freight train head-on as it barreled toward him”
- “Bullets hit school bus after clash on board”
- “Hundreds of pets are dumped in West Virginia”
- “A dozen District contracts of \$1 million or more were authorized without D.C. Council approval in fiscal 2005”
- “The city's efforts to find private financing appears all but over and the city now plans to fund the entire (new Washington Nationals baseball stadium) project - recently estimated to cost \$667 million - through traditional public financing”
- “Johns Hopkins University is receiving a \$100 million gift ...from a benefactor who chooses to remain anonymous... to support initiatives in medicine, public health and the humanities”
- “Why can't a curling team composed of amateurs from the District of Columbia, which lacks representation in the Congress, gain approval to compete in the Olympics (if Puerto Rico, Guam, American Samoa can in other sports)”
- “Elizabeth Baker Kemp Beach, 103, died January 29...Known as “Kempy,” she roller skated in Lafayette Square as a young girl and recalled meeting an unescorted President William Howard Taft as he walked there.”

Redefining Health Care

Harvard's Michael Porter, who succeeded to the title “most influential management guru” after Peter Drucker's death, will take on health system reform with University of Virginia's Elizabeth Olmsted Teisberg in the May 2006 publication of “Redefining Health Care.” They previewed the thesis of the book in an article they wrote two years ago which some of my colleagues say steals the best of some great health economists who've been writing on the subject for three decades.

The *Wall Street Journal's* Alan Murray, among others, heard the book previewed by Porter in Davos and came away sensing the shared optimism of pharmaceutical, health plan, and hospital executives that value purchasing is the answer to cost containment and systemic improvement. The immediate need is for an agreement on tools with which to measure performance and government leadership in defining health-care quality and outcomes.

NIHP News and Events

❖ **Summit on Long Term Care Quality**

The NIHP, in collaboration with the University of Minnesota's Center on Aging, has spent the last several months developing a 2-day Summit on Long Term Quality Care. The invitation-only event will convene providers, payers, regulators, policymakers, consumer advocates and community leaders who have a concern about the future of long term care financing and delivery.

A half-dozen national experts on care quality will speak. Members of the National Commission for Quality Long Term Care will participate as well, including **Monsignor Charles Fahey**, Program Officer with the Milbank Foundation; **Michael Millenson**, Mervin Shalowitz Visiting Scholar at Northwestern University; **Richard Payne, MD**, Director of the Institute on Care at the End of Life, Duke University Divinity School, **Judith Salerno, MD**, Deputy Director of the National Institute on Aging; and **William Scanlon**, Health Policy Consultant.

Please visit the [NIHP website](#) for more information, or contact Scott McMahon at 651-962-4613.

❖ **New President and CEO of Marshfield Clinic**

Congratulations to Dr. Karl Ulrich who has taken over the responsibilities of president and CEO of Marshfield Clinic, a position held for the past six years by Dr. Fred Westbrook. I read in a local Wisconsin newspaper that Dr. Ulrich's original career goals involved teaching and coaching, until as he said, "life opens different doors." Those doors have led Dr. Ulrich down a path of great success in the field of psychiatry, with increasing positions of leadership – most recently as medical director of Marshfield Clinic. I look forward to working with him in his new and challenging role.

❖ **NIHP Community Forum**

The NIHP will convene local leadership in April to discuss the Citizens League's Report on Medical Facilities in Minnesota. Details will soon follow.

If you wish to no longer receive this commentary, please click [here](#).