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Reframing the Health Care Reform Debate: A Conservative Imperative

Robert E. Moffit, Ph.D.

The final disposition of the unpopular Senate health care bill in the House of Representatives does not end the national debate on the future of American health care.[1] It merely enters a new and even more divisive phase. Conservatives should redefine the terms of the health care debate and retake the offensive on health policy.

The Ongoing Debate. If the 2,700-page Senate bill becomes the law of the land, it would routinely force Congress to block, modify, or fix the inevitable flood of administrative refinements to its legislative handiwork. But if the bill does not pass, Congress can rest assured that the debate on America's health care problems—cost, quality, and coverage—would quickly remerge in full force. Americans clearly want consequential health care reform, even as they register strong opposition to the congressional legislation.

It is thus critical that conservatives in Congress advance an aggressive and positive agenda for reform. The key elements of that conservative agenda should:

- Address the anxieties of middle-class Americans over access and cost,
- Transfer control over health care decisions and dollars to individuals and families, and
- Restore the traditional (and now dangerously attenuated) doctor–patient relationship.

Liberal Rhetoric v. Reality. Both the Obama health plan and the Clinton health proposal of 1994 include a highly prescriptive federal definition and control of the content of " acceptable" health insurance benefit packages; individual and employer mandates to purchase federally approved health insurance plans; multi-year Medicare cuts to finance the expansion of health care coverage; the centralization of federal control over the health insurance markets (manifest in federally designed health insurance exchanges in the Obama version and geographically based "regional alliances" in the Clinton version); and federal control over health care financing—characterized by taxpayer subsidies and premium rate regulation in the Obama version and "premium caps" and a "global budget" governing all health care spending in the Clinton version.

Recurrent Rhetorical Gaps. But both Clinton and Obama were undermined by yawning gaps between their rhetoric and reality. In Clinton's stirring September 1993 speech to a joint session of Congress, the President emphasized the need to curtail the role of bureaucracy and to rely upon the free market forces of choice and competition. But when Clinton unveiled his 1,342-page Health Security Act one month later, the reality was a massive, mind-numbing bureaucratic system of federal command and control over virtually every aspect of the health care system.

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214 Massachusetts Avenue, NE
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(202) 546-4400 • heritage.org

President Obama, in his September 2009 speech before a joint session of Congress and in other forums, likewise promised that Americans who were satisfied with their health plans would be able to keep them, the health care cost curve would bend downward, proposed Medicare cuts would not affect benefits, there would be no middle-class tax increases, families would see an annual reduction of $2,500 in their health care costs, and taxpayers would not be forced to fund abortion. Moreover, even as the President has proposed federal control over both health benefits and health financing, he disavowed that his proposals amounted to a federal "takeover" of Americans' health care.

On all of these topics, the President's repeated assertions were thoroughly refuted by both official and independent analyses of the legislative language.[2]

Recurrent Financial Gaps. In 1994, President Clinton insisted that his massive health plan would not add to the federal deficit, that it would "pay for itself." But in February 1994, the Congressional Budget Office (CBO) reported that the Clinton Plan would in fact add tens of billions of dollars to the deficit.

In 2009, President Obama promised that his proposal for $900 billion in additional spending would neither add to the deficit nor bend the "cost curve" upward. In fact, the Senate legislation meets "deficit neutrality" targets only by taking liberties with common sense.

For example, the CBO modeled the Senate bill on the sponsors' bold assumption that the Medicare payment rules would remain unchanged, thus effecting an initial 21 percent reduction in physician payments. Sponsors also assumed that Congress would follow through with hundreds of billions of other Medicare payment cuts, and they carefully crafted the 10-year financing to make sure that the revenues would commence immediately and benefit payouts would commence later.

During debate on the Senate floor, Senator Max Baucus (D–MT) conceded that the real 10-year cost of the Senate health bill—depending on when and how one calculates the combined revenues and payouts—could be $2.5 trillion. The Heritage Foundation's Center for Data Analysis estimates that under the Senate bill America's publicly held debt would be $755 billion higher by 2020.[3]

Recurrent Popular Opposition. In 1993 and 1994, initial polling showed strong popular support for comprehensive health care reform, and the Clinton Administration rode that initial wave of popularity. But with public scrutiny of the provisions of the Health Security Act, popular support plummeted. In the spring of 1994, congressional town halls were a public relations disaster for the Clinton health plan, just as the August 2009 congressional town halls proved disastrous for the Obama Administration.

In both cases, increasingly sophisticated information technology guaranteed rapid transmission of legislative details. And in both cases, opponents successfully framed the terms and decisively won the debate in the high court of public opinion.

Political Defeat and Policy Victory. In the fall of 1994, the Clinton health agenda died on the Senate floor without a vote. The intense public hostility to the Clinton health plan itself—*not* the failure of Congress to defy public opinion and enact it anyway—directly contributed to the 1994 Republican takeover of the House of Representatives.

But neither President Clinton nor his congressional allies lost control over the health policy agenda. The Health Insurance Portability and Accountability Act of 1996 included large chunks of the text of the Clinton Health Security Act, including the complex HIPAA "administrative simplification" provisions that were obviously not; the State Children's Health Insurance Act (known as SCHIP),

1. See Kathryn Nix and Robert E. Moffit, "What House Passage of the Senate Health Bill Means for America," Heritage Foundation *WebMemo* No. 2833, March 16, 2010, at *http://www.heritage.org/Research/Reports/2010/03/What-House-Passage-of-the-Senate-Health-Bill-Means-for-America*.
2. For analyses of the Obama proposal, see *http://www.fixhealthcarepolicy.com*.
3. Karen Campbell, Guinevere Nell, and Paul Winfree, "Mandates and Taxes Re-Burden Health Insurance Markets," Heritage Foundation *WebMemo* No. 2834, March 16, 2010, at *http://www.heritage.org/Research/Reports/2010/03/Mandates-and-Taxes-Reburden-Health-Insurance-Markets*.

which has since blossomed into the equivalent of a new and costly entitlement for middle-class families; and the Balanced Budget Act of 1997, which included an unprecedented statutory restriction on private contracting in the Medicare program; a historic government intrusion into the traditional doctor–patient relationship.[4]

The Next Battle. President Obama has already surpassed President Clinton's success in expanding the role of the federal government in Americans' health care. In 2009, Congress enacted a major SCHIP expansion. Shortly thereafter, with the enactment of the giant stimulus bill, the President secured a major Medicaid expansion, an unprecedented role for the federal government in the regulation of health information technology, and the creation of a government council to oversee "comparative effectiveness" of medical treatments and procedures.

For conservatives in Congress, playing defense on the emerging regulatory regime is not enough. They should instead advance a consequential health care agenda that would positively impact the lives of millions of Americans. This can be done by:

- Fixing the glaring inequities of the federal tax treatment of health insurance, giving millions of Americans new opportunities to secure affordable, portable private health insurance; and
- Pursuing aggressive state-based experimentation, with grants and waivers, which unleashes robust competition on health insurance markets while guaranteeing affordable, high-quality care for the poorest and sickest citizens who depend on the safety net.

Meanwhile, centrists and conservatives in Congress alike should also recognize that real cost control begins with the nation's largest entitlements, Medicare and Medicaid, programs for which they have direct responsibility. The health care debate is never over.

—Robert E. Moffit, Ph.D., is Director of the Center for Health Policy Studies at The Heritage Foundation.

4. On the Medicare contracting issue, see Robert E. Moffit, "Congress Should End the Confusion over Medicare Private Contracting," Heritage Foundation *Backgrounder* No. 1347, February 18, 2000, at *http://www.heritage.org/Research/Reports/2000/02/End-the-Confusion-Over-Medicare-Private-Contracting.*