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**Health Reform Lessons Learned:
Veterans of 1993-94 Offer Advice to Today's Reformers
Alliance for Health Reform & Robert Wood Johnson
Foundation
January 18, 2008**

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EDWARD HOWARD: My name's Ed Howard with the Alliance for Health Reform. I want to welcome you on behalf of Senator Rockefeller, Senator Collins, our Board of Directors to this briefing about lessons we can learn from the health care reform experience from 1993-94. Someone was speculating before hand that we have such a great turnout because people who don't like the idea of health reform want to find out what derailed it last time so we can do it again! [Laughter] I don't think that's the case, though. I'm really pleased that you're here as we get into this shank of the presidential campaign where health care is an important issue. I think the kind of perspective that you're about to hear from our panelists is going to be very helpful.

I want to thank the Robert Wood Johnson Foundation for its co-sponsorship and support of this event. You're going to hear from David Colby of the Foundation in just a moment as part of the panel.

I remind you that you have green question cards and floor mics, to use them to ask questions at the appropriate point. And, a blue evaluation form that we hope that you will fill out to help us improve these briefings, make them better for you. And, I would ask you to take 15 seconds and turn off your cell phone ringer, if not your cell phone, so

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that we can do this relatively undisturbed. Thank you all for coming and let me turn it over now to your real moderator, one of the best health reporters in America, Susan Dentzer, who most of you know heads the reporting unit that covers health care, health policy, and social security for *The NewsHour with Jim Lehrer*. You may not know, although you can find it in your biographical information in the kits, that she's also been an Editor and Reporter at the *U.S. News* and at *Newsweek*. And, she knows enough about health care so that any of the panelists who try to get by with a slipshod answer, won't be able to do it.

Susan, thank you so much for doing this. And, it's all yours.

SUSAN DENTZER: Thank you very much, Ed. Thanks for those very kind comments. Good afternoon to all of you. Thank you so much for turning out for this Lessons Learned forum. It occurred to us as we looked at the list of people that registered to come, that for many of you this whole period that we're going to talk about today, which we arbitrarily will describe as the period between January 20th of 1993 and, let's say, September 1st of 1994. Those being a kind of a rough estimation of the birth and death of the Clinton Health Reform.

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It occurred to us as we looked at the list that for many of you this might not have been living history. This may be ancient history. So, I'd just like to do a quick test and say, how many of you were not, had not quite celebrated your 10th birthday on January 20th, 1993? Raise your hands high, please. Okay, so maybe about, how many of you had not quite celebrated your 15th birthday on January 20th, 1993? And, how many of you did not have a functioning day job in Washington on January 20th, 1993? Okay, so those three questions, that looks like to me about ¾ of the audience right there. So, for many of you this is ancient history. We will try to make it as lively for you as possible. And, I think I have the absolute best cast of panelists to bring that about.

You have in your packets a yellow sheet, which details the provisions of the Health Security Act. So, we will not be entertaining questions today on what was in the Health Security Act because we'd have to have a six day forum in order to do that. So, you have that as background. You also have lots of wonderful articles of background in it, which I'm sure you all read assiduously before you came today. But, I do recommend them because they do provide a terrific historical perspective on what happened.

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My own personal recollection of covering health reform and, as Ed said, I was at *U.S. News and World Report* at the time, is that it was a little bit like watching the Alfred Hitchcock movie *Psycho* for the first time. You may recall in that movie, the character played by Tony Perkins is Norman Bates. He lives at the Bates Motel. At the house near the Bates Motel, his family home. His mom is up in the attic. And, you see her for the most of the movie in a rocking chair, only from the rear, and she's rocking back and forth. And, you think she's a crazy old lady in the attic. It is only at the end of the movie that you discover that the crazy old lady in the attic has actually been dead the entire movie.

And, health care reform, covering health care reform is a little bit like that because there was a lot of a frenzy and people stabbing each other behind a shower curtain. And, just lots happening and then all of a sudden it died very abruptly. And, for those of you who are interested, you might want to go back and just read everything that appeared, every headline that appeared about health care reform in *The New York Times* during the month of August, 1994. And, just to give you a quick sense, we started off on, say, July 31st with a piece by Maureen Dowd, "Clinton Goes to Truman Land,"

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he travels to Missouri, "in push to 'Give 'em Health," as opposed to "give 'em hell."

August 1st, George Mitchell, the Senate Majority Leader, urges action on health care now. August 4th, Clinton plans series of TV appearances. August 3rd, Senate Leader Mitchell unveils his plan for health care, which was a marriage of the Clinton proposal and some other ideas. August 5th, House will let Senate go first on health care. August 10th, debate is begun on Mitchell Plan for health care. August 11, Clinton says he would not accept health care legislation with less of a guarantee of universal coverage than George Mitchell. August 12th, new centrist group seeks different consensus on health care. August 13th, Mitchell sees room for dealing on rival health care proposals. August 17th, GOP abandons delaying tactic on health care. August 18th, bipartisan group is near completion of its health plan. August 20th, bipartisan group in Senate offers new health plan. August 23rd, coalition seeks converts to its reduced health plan. August 24th, health care bills prospects dim with hardening of stances. August 27th, Clinton allies concede that broad plan is all but dead this year. Okay. Three weeks. Is this painful for all of you to go through all of this again? So, that was a little bit like what this whole experience was like. And,

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these folks, as I say, are here today to give us a sense of that.

We're going to start off with just a few brief comments from David Colby. But before we go into David, let me just introduce our panelists for you now. And, I'm going to ask them in a few minutes to describe what they were doing during the period of question, so you can place them in the historical record. We start over here on my far right, which is hardly a political statement, but with Chris Jennings.

CHRIS JENNINGS: To their left, to their left.

SUSAN DENTZER: Okay. Right, their left. Exactly. It's appropriate. Chris Jennings has joined us. He has more than two decades of health policy experience in the White House, Congress, and the private sector. And, he's currently President of Jennings Policy Strategies and, of course, an advisor to the campaign of Senator Hillary Clinton.

Next to me is Brian Biles who is currently professor in the Department of Health Policy at George Washington University. And, he served for five years previous to that at the Commonwealth Fund and also has a long career on the Hill, which we will ask him about momentarily.

I'm going to skip over all the way to the end here and introduce Dean Rosen who is a partner at the public affairs firm, Mehlman, Vogel, Castagnetti, Incorporated and

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the head of the firm's health practice. Before that at the late, great Health Insurance Association of America. And, before that on the Hill as he will describe in a moment.

Also with us is Christine Ferguson who's a research associate professor of health policy at George Washington where she focuses on policy and health insurance issues. And, she also has a long career in both state government and previous to that on the Hill as she will also tell us in a moment.

And, then finally David who will give us a few observations now, is the Vice President of research and evaluation at Robert Wood Johnson Foundation where he leads a team dedicated to improving the way Americans maintain health and obtain care and also a veteran of experience on the Hill. And, I'm proud to say, a person who this Sunday will celebrate his 30th birthday?

SPEAKER: Yay!

SUSAN DENTZER: Thirtieth birthday, plus or minus a few. Anyway, David, welcome. Please let's open up with some perspective from your experience both seeing this happen in '93 and '94, or more specifically not happen, and from your standpoint now at the Robert Wood Johnson Foundation seeking to advance health and health care for all Americans.

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DAVID COLBY: Thank you, Susan. Welcome and thank you all for coming. I want to thank the panel members especially for sharing insights, even though they're probably still shell-shocked over this experience. I want to thank the Alliance for holding this meeting. And, I want to thank you all for being here.

When the Robert Wood Johnson Foundation began its work on health and health care in 1972, the conventional wisdom at that time and the wisdom of our Board of Trustees, was that President Nixon and Congress were on the cusp of passing health care reform. Nineteen-seventy-two to 1974. We at the Foundation, really adjusted our programming under the assumption that there would be some sort of universal coverage plan. And, so the next issue we needed to work on was health care access. And, so we started working on health care access. But, of course, that plan, actually those plans, there were a number of plans in that time period, didn't happen and didn't pass.

And, today coverage is an essential part of the Foundation's mission, a part of its mission to improve health and health care. Why is it part of our mission and, I should say, why should you also care about health care coverage. Well, first of all, there's a reason to care, which is a political reason. It's on the political agenda. All

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Presidential candidates are addressing reform. The polls until very recently had health care coverage as one of the high items. *The Washington Post* recent poll shows that the economy is surpassing health care coverage. But, when you look under economy and ask people what's most bothering you about the economy, it's the cost of health care, the affordability of health care. So, health care is still driving that.

I think the second reason is much more of a humanistic reason and a policy reason as why should we care about the uninsured. The IOM in 2003, 2004 did a series of reports on the consequences of being uninsured. There were six reports. And, I think I can probably summarize those reports in a couple of quick phrases. The uninsured are more likely to live sick. They're more likely to go bankrupt because of health care costs. And, they're more likely to die younger because they're uninsured.

But, interestingly the IOM went farther than that and talked about how the population of the uninsured really harms us all. That as we take resources that should be used for prevention and move them over to covering the uninsured. So, it affects the whole community and it affects our workforce productivity.

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So, those are the reasons to be interested in this issue. There's a political reason and then there's a policy, humanistic reason. And, I always like to go back to one of the great American philosophers on this topic. It's not John Dewey. It's really Yogi Berra. Many of you may think it's Casey Stengle, but it was really Yogi Berra who said, "This is déjà vu all over again." And, most of us would listen to that statement and say it's redundant. It's a redundant statement by someone who had fairly limited education. I think it is the real experience that most of us have had who were 10 in 1992 or more than 10 in 1992. It's the experience that we've had. This is déjà vu all over again.

I think we need to learn the lessons to meet the challenges that face us in the near future. And, we'll be talking about those lessons and the panel members bring a lot of experience to talk about those lessons. So, thank you, Susan. And, you can move on to the panel.

SUSAN DENTZER: Thank you so much, David. I asked our panelists to begin today by answering the question, "Where were you on the nights of January 20th to 1993 to September 1st, 1994?" Or, more specifically, what was your day job during that period? Presumably you were also working a lot of those nights also. But quickly, tell us what your day job was over that period. And, then give me one memory

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that seems to encapsulate for you what the experience was like? What was a major turning point? What was a moment you now bitterly regret? Whatever, but a seminal moment in health reform.

So, I'm going to start with you Chris. Where were you during that period and what's your seminal memory of what occurred?

CHRIS JENNINGS: Well, Susan, I did push the button, is it on? The reason that I showed up a little bit late because I knew Susan was going to recount the depressing chapters of our lives during that period of time. And, now she's asking us to recount it. So, I mean—

SUSAN DENTZER: There are medications for this, Chris. [Laughter]

CHRIS JENNINGS: I was in the White House in '93 and '94, '95, '97, '98, '99, and 2000. So, I was there for those two years and I guess, I think it's, besides my health security card and the issue of the pen that we don't veto any longer, my seminal, I don't really believe it's conceivably possible, at least for me, to have one seminal. I have a sort of myriad of, I would say, mosaic of memories. And, I would just like to mention a few because it would be unfair. It was both exhilarating and depressing, and, at times, both concurrently and frequently one or the other.

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The first time I remember was actually meeting the First Lady. And, her telling me that, you know I was working at the time for David Pryor, and she said, "I just need you to have him lend you to me for 100 days and it'll be over. Then you can go back and help us pass it." And, I said, okay. Then I remember this toll-gate process that no one had told me about before-

SUSAN DENTZER: And, just say a quick word what "toll-gate" was for those who don't have the pleasure of having lived through this.

CHRIS JENNINGS: Toll-gates, we had hundreds of advisors and people working through the health care the development of the health plan and was criticized for how big it was, which I'm sure we'll get into that later, but I remember as I had to keep on clearing people through the security process as I was being yelled at by Brian Biles for even having them come in the first place. But, I guess the bigger moments that I really remember was going up in the motorcade with the President when he gave his health care speech and fact checking it on the way up. How shocking. [Laughter] And, then him giving it as the teleprompter brought up the State of the Union Address and no one really could even capture that. And, then just shortly thereafter, spending all this time with Senator Clinton preparing her for

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these five hearings over two days and her ability to really wow the whole committee and her ability to digest all this extraordinary policy detail, but also know what each individual member wanted. And, her talking about Doctor Kevorkian with and pushing back on Congressman Army when she was critical of him.

SUSAN DENTZER: The implication being that he was going to be the Doctor Kevorkian of health reform.

CHRIS JENNINGS: He was going to be the doc, just say no, and kill things.

And, then I just have to say that going back after her testimony and just saying how she made us look better than we are. And, as you go through this process, I remember the depression I felt when Senator Byrd said this was not going to be part of the reconciliation process. And, it was going to be impossible to move this quickly because if you weren't going to be reconciliation, that meant we were going to push this later. And, as you push legislation out, I knew from that moment on it was going to be extremely difficult to get things done.

And, I remember in particular with great poignancy the next year when I was in Senator Mitchell's office with him and, you know, we had worked— He had actually decided not to be considered for the Supreme Court and for many other

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positions because he thought this was the historic time to get health care done. And, he had tried very, very hard to get things done. And, I kept on saying could we compromise here, or could we do this, or could we do this. And, he looked into my eyes— and this was in August of '94— and he said, almost like a father looks towards their son and saying, I've got to tell him about the death of their favorite grandmother or something, and said, "You know, Chris, it's dead. It's dead." And, I said, but— And, he said, "No. We did everything we could, but it's over."

And, I think for many of us who were there, we were in sort of semi— We knew it was over, actually before then, but we didn't want to believe it. And, that was the moment that I really became— I accepted the reality.

And, then except, and this is the last one. I'm sorry. Which was—

SUSAN DENTZER: You can see it's like uncorking a long—

CHRIS JENNINGS: It's very cathartic.

SUSAN DENTZER: A lot of stuff.

CHRIS JENNINGS: This is very cathartic. But this is, I have to just tell you and the last moment was when— Do you all remember this bus that was traveling around the country from Washington and had all these visits along the

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way about pushing health care reform with various degrees of success. And, it limped into Washington, and into the Oval Office for an event that we all knew the whole thing was dead. And, we had to like pretend that it was still, we had to welcome these people who had been traveling for months without showers and being thrown eggs at and things like that. And, my mother showed up for this and, you know, I really wasn't in the mood at all. And, she said to me, "Well, why didn't you just do the single pair system, and get it over with?" [Laughter]

SUSAN DENTZER: Hmm, that would have been a snap.

CHRIS JENNINGS: Clearly in that environment with the Congress, that was going to be the next logical step. So, I'll conclude with that and share some of the happier moments later. And, also why I'm so much more encouraged about the future.

SUSAN DENTZER: Thank you, Chris, for that touching story. We have some Kleenexes in the back of the room for those of you who are so moved.

Brian, let's move to you. Tell us what your day job was during that period in question— '93 to '94. And, give us your most seminal memory encapsulating the entirety of the experience.

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BRIAN BILES: And, I think my sort of memories of that whole period really stem, not so much from what I was doing then, but really what I'd done previously. Where I had worked most of my career in the House, and actually in equal number of years for the Ways and Means Committee and for the Commerce Committee. So, I had worked for both committees.

And, I think from the perspective of the Congressional House, I guess, Congressional staff, I think I really remember from the very beginning the sense of trepidation that the schedule for consideration of the legislation wasn't likely to work. And, I think the schedule really indicated a failure to understand how major policy change, sort of to use this year's word, really becomes reality.

Four points about the process. One, again, in the United States major new policy programs require legislation to be enacted by Congress. It's not enough for the President or a Secretary to have an idea. The real success of the President or the Cabinet Secretary is really, is the legislation adopted by this other completely independent body, the House and the Senate, the Congress.

I think the second point is that the founding fathers in the Constitution actually didn't trust government and they set up a process that makes it very difficult to enact major

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policy changes. And, of course, there are two bodies, effective bodies in the legislature in the United States. Most other countries in the Western world, there's only one body, for example, the House of Commons in Great Britain plays a real role where the House of Lords is really nothing at all like, plays a role of our Senate. So, you have two bodies.

But, I think the third, and most important point, for sort of a consideration of the health legislation, was that the Constitution imposes really a two-year cycle and which is really a one-year cycle. All legislation not enacted in two years must begin again. We all know that. But, I think the real key is that within the two years, in the first year of the cycle immediately after the election, the political perspective momentum looks back to the previous election. And, that lasts for about a year up until November or December of the odd number of year. But, the minute we get, as we have now, into an even numbered year, all the political perspective is looking forward to the next election.

And, so if we think back in that era, in '93 the perspective was back to the Clinton election. Of course, by the time we got to '94 the perspective was looking forward to what turned out to be the Gingrich election and, actually, the take-over by the Republicans of the House and the Senate.

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So, the failure really to make use of the one-year cycle where they had political momentum clout, I think, was the real error.

And, I make, the kind of fourth point I would make is that, in fact, at that point in time the Congress and the Health Committees, especially, had a great deal of experience in actually enacting legislation in one-year cycles. The real beginning of the one-year cycle was the Reagan election in 1990 and then the enactment and reconciliation legislation of very major tax cuts in '81. Bush One administration also enacted major legislation the first year after the '88 election in '89. And, beyond that, the Congress had all through the '80s and '90 enacted one-year budget reconciliation legislation— '82, '85, '87, '90. So, there was this great history of legislation being really proposed in January, enacted— for the Reagan administration— by the August recess and certainly by the end of the year.

So, my point would be that the Congressional schedule, again, from which the founding fathers intended is really decisive. And, so when the administration in '93 didn't send up the legislation, February, March, April, the clock was running. And, certainly, there were reasons to suspect that the ultimate outcome would be the outcome that Susan just read.

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I think there are three other points that I'd mention, and we can come back and discuss them. One is the amount of detail in the eventual administration proposal. The Bill was 1300 pages long. And, this was particularly after time in '91 and '92 when the Committees really had nothing on their agenda and had held dozens of hearings and drafted Bills three and four hundred pages long. So, there had been a lot of work by the Congressional Health Committees. And, that was really essentially ignored.

The second is the failure to use the budget reconciliation process and I mentioned it had previously been used very effectively, particularly by Reagan, but also by Bush One. And, of course, we now know the history from Bush Two.

And, then just as a final note, as complication was the choice of administration officials and in this particular case as the leader for the development of a health and a legislative proposal, they chose an individual, Ira Magaziner, who actually had no experience or knowledge either of health and, perhaps more importantly, of the legislative Congressional process.

So, that's sort of my memory.

SUSAN DENTZER: Other than that—

BRIAN BILES: Other than that—

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SUSAN DENTZER: It was a slam dunk.

BRIAN BILES: Yes.

SUSAN DENTZER: Yup. Chris is up here bawling. I don't know if you can see the tears, the tracks of his tears. Alright, we've just heard from the two Democrats on the panel. We're now going to switch over to the republican side and ask them for their seminal reminiscences, memories, et cetera, that seem to encapsulate the entirety of the episode.

So, Dean, let's start with you. And, tell us where you were on the nights of January 20th, et cetera.

DEAN ROSEN: On the nights in question. Okay. Well, actually, I was going to look at two memories. Now I feel like that's a limited number since Chris had so many. But, it's true. I think it really does encapsulate it. It's hard to do it in one.

I was interested in Susan's introduction when she asked who had a functioning day job in Washington. I was working in Washington, but I don't think I would have defined it as a functioning day job either. [Laughter] I had just left the practice of law where I was pretty miserable. And, come up to the Hill to, as I'm sure a lot of you in the room can sympathize with the situation to take a essentially 50-percent pay cut for what I viewed as my dream job. My first job on Capital Hill I was working for Senator Dave

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Durenberger from my home state of Minnesota. He was a member of both, the two Committees that had jurisdiction over health care in the Senate, what was then the Labor Committee, now is the Health Committee, and the Senate Finance Committee. And, I was in my first job right at the start of the proposal. So, my perspective through the process was staffing a member on health issues who really worked through the two key Committees because both of those Committees in the Senate actually passed a version of the Health Security Act and seen the Committee process from sort of the inside and the intensity of that.

And then, also, Senator Durenberger later, as Christie will talk about, became a member of sort of this mainstream coalition which was a group of Democrats and Republicans who sort of came together in those August headlines that Susan read to try to find a third way through, and ultimately were not successful, either.

But, I would say that in terms of- Christie's actually going to talk about my favorite memory, so we by agreement decided we weren't going to, we were going to do that. But, I have two memories that I think sort of encapsulate for me both the, just the real experience of, I think a lot of you as a staff person, and the other that I

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think encapsulates a lot of the political failures, in some ways, that both Brian and Chris described.

The first was, just as a staff person, Senator Durenberger was somebody who really focused a lot of his career on health care and had decided that he was going to make 1994 his last year in the Senate. He was a three term Senator. And, that health care reform, since he was on the two key Committees, that this was the time to do it, like George Mitchell and other people. And, he was going to devote folks to it. And, one morning he called a staff meeting, and I was actually working over in the Health Committee, the Labor Committee on legal issues, and disability policy, and employment stuff, and this was how I got into health care. So, it's a vivid memory for me. And, he turned at everyone on the staff and literally was everybody in the staff room, and he said, "Okay, from now on, everybody here is going to do health care. So, if you're the tax person, you're going to do the tax issues. If you're the judiciary person, you're going to do the liability reform issues and the anti-trust issues. If you're the labor guy (which was me), you're going to do the small set of issues, all the issues related to employment, and purchasing groups, and hit picks [misspelled?] and everything else." And, I thought that that was really interesting coming back, if you

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think about today. If any of your bosses, particularly in the Senate or in the House, came in and said, everyone in my staff is going work on this one issue. It did sort of sum up how this issue and the economic issue really dominated a lot of the frenzy.

The other memory that I have was not one where I was actually in the room, but Chris was. And, it was in the House Chamber. And, it was when Senator, I'm sorry, when President Clinton, Bill Clinton pulled his pen out of his pocket during his State of the Union Address on January 25th, 1994 and said, "If Congress sends me a piece of legislation that fails to guarantee coverage for everyone, I'll take this pen and I'll veto it." And, I remember even as sort of as a young staff person, and Brian talked about the timing, that one year into it I thought, he can't be serious about this. That if he's actually serious, that that's the standard by which he's going to sign or not sign legislation, then this thing is really over.

And, if you look back at these painful stories about the time, you realize that that was really the beginning of the Congressional process, was January of 1994. And, by then I just had the inkling, even as a very junior staff person that if that really was the position, then this thing was over. Because as Christie will describe, I mean, there was a

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group of people on both sides of the aisle who were willing to embrace, something that got to 90-percent or 95-percent or 85-percent, 96.5-percent or whatever it was according to the Congressional Budget Office, but not 100-percent.

So, for me those were the two memories of a field of a lot of them that really sum up both the kind of the headiness and the kind of the wackiness of health care reform and the sleepless nights and everything else. But, also the political of, I think, if you try to expect everything, you may in effect in the end get nothing.

So, I will leave it at that.

SUSAN DENTZER: Thank you very much, Dean. And, Chris, did you say you actually brought that pen with you today?

CHRIS JENNINGS: No, no, no.

SUSAN DENTZER: No. Souvenir pen. Okay. Christie, your seminal memories and what you were doing in your day job over that period?

CHRISTINE FERGUSON: So, I was Senator John Chafee's counsel and deputy chief of staff. And, my button's not on, which is usually the case. So, I was Senator Chafee's legal counsel and Deputy Chief of Staff. And, we had— Most people and, rightly so when you are young like you guys are and excited, don't necessarily go all the way back to the

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context. But, one of the key component's of the context of this coming into the '92, '93, '94 years, was the fact that the Catastrophic Health Insurance Bill, which provided drug coverage for the elderly-

SUSAN DENTZER: The first time.

CHRISTINE FERGUSON: The first time, was passed by a vote of, I don't know, 98 to 2 or 99 to 1, I don't know, and it had been passed. And, everybody celebrated it and because the people at the top end had to pay \$500 a year, 1-percent of the population \$500 a year, the thing got repealed the next year.

SUSAN DENTZER: Also about 99 to 1, right?

CHRISTINE FERGUSON: Also 99 to 1 in the Senate. And, so for those of us who lived through that, that was really a very visceral-

SUSAN DENTZER: Chastening.

CHRISTINE FERGUSON: Visceral thing that happened and we didn't want to see it repeated. And, so from the course of 1988 until Clinton came in there was an effort among the staff, both Democrats and Republicans, to really work hard at getting the members better prepared and really understanding health care issues well enough so that at those points in time when something difficult happened they wouldn't automatically move to repeal. And, so my job ended up being,

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first, to educate, to sort of grab a group of Republicans together in a republican task force. And, work them through health care over the course of a couple of years. And, then starting in, and then get a Bill. They actually, the Republicans actually had a universal coverage Bill that they introduced in November of '93, I guess. And, for a shining moment in time they actually all agreed to universal coverage. And, then very quickly they started removing themselves.

But, anyway, that having been said, then we moved to a process that really included some Democrats in that education process, into a bipartisan group. And, so my job was kind of like the lead staff person for those two efforts, the Bipartisan Mainstream Coalition and earlier than that the Republican Health Care Task Force.

And, so I'll tell you a couple of my memories. Number one is just how ready and prepared and eager most of, not all of, but most of the Republicans were at the early point in the Clinton administration to actually do something on health care. There was a lot of excitement and an interest and welcoming. Same thing on the democratic side, that there was a lot, there was just this sense that, Oh, wow, this might be it! And it's all of these things. Mitchell giving things up. Chaffee deciding to go this route

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after he had lost a leadership role in the republican party for being too moderate, Durenberger with his staff— you know, all of these things, they were all ready to sacrifice something to get something done. And, so that sense. So, how prepared they were and how ready they are.

And, then this tiny room that we were in from about March with both Republicans and Democrats, about 27 of them and their staff in this teeny, tiny hide-away room off the floor that we couldn't go in and out of without the press kind of attacking us. And, staff hanging from the wall. Bob Reischauer, or not Reischauer, yeah Bob Reischauer, right?

SUSAN DENTZER: Who was then head of the Congressional—

CHRISTINE FERGUSON: Bob Reischauer who then head of CBO, we had him come over a couple of times and he would like go and say, "It's like monkey's in a cage, they're all hanging off the ceiling." So, this sense of excitement that maybe, maybe, maybe we could make something happen. And, then getting our cost estimate which was really a bummer, but also getting the numbers for what we would get in terms of coverage, which was 96.5-percent and having people tell us that that wasn't enough. That wasn't enough coverage. That unless we could have 100-percent, it wasn't going to happen. And, just feeling like so frustrated. And, then in August

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being in the room when Mitchell got the letter from Families USA and the Unions and AARP basically saying we don't want you to do health reform this time around. And, everybody sort of- I can remember drinking with Chaffee, the one and only time that a female ever had this much scotch with John Chaffee was after that meeting. [Laughter]

So, in any case- And, then finally I'll tell you how it felt at the end. Even though it didn't happen, we still felt proud, but we also had the sense of feeling like we were the skunks at the party. [Laughter] We actually had tee shirts made up.

SUSAN DENTZER: Read what it says.

CHRISTINE FERGUSON: This is the Mainstream Coalition, Mainstream Dems, Mainstream GOP, and it has a picture of the rear of an elephant and the rear of a donkey with the words "kick me" [laughter] on the back because that's about what we felt like through the course of that year. So, there you go.

SUSAN DENTZER: That's what you get for coming up with a lousy 96.5-percent of people covered, right?

CHRISTINE FERGUSON: That's what you get for being bipartisan. And, that's one of the things that we'll talk about a little later, I'm sure.

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SUSAN DENTZER: Okay, well great. Well let me take a quick break to tell you all that you have green cards on your table if you'd like to write a question and pass it up to be asked. And, we also have a mic here, and I believe there's one in the rear for those of you who might want to ask a question. But in the meantime, let's, before we get ready to go to questions, let me ask a couple of other questions of our panelists.

Just to sort of sum up what we've heard, a few key points. We heard first of all that timing is everything in this and that several critical missed timing issues arose over the course of this. First of all, as we heard Brian say, you've got about a brief window of a year, both in terms of the political atmosphere after an election as well as the Congressional calendar to get something done. And, the Bill didn't come out in time. And, the Bill didn't come out in time for that.

There was also the failure to put it on reconciliation. And, to add some further context, that reconciliation Bill in the first year of the administration was a big deal because it was also the deficit reduction bill and it was really the signature move of the first year of the administration. So, to kind of take health care out of the

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mix of the signature move of the first year of the administration as we've heard was really a problem.

There was as we heard failure to fully use the Congressional expertise in passing legislation on a very tight calendar. So, not only was the timing missed, the substance of being about to reach out to the Committees and do that work was missed.

Brian and others have mentioned the enormous detail in the proposal part of which was written to satisfy the concerns of the Congressional Budget Office. There was such an issue about bringing it in on a particular cost structure that a lot of the detail was aimed at that. And, of course, we heard that the detail was in the end insufferable, in effect.

And, then we heard also about the difficulties of setting the terms of the entire debate. And, that when the President said anything less than 100-percent coverage would be vetoed, as Dean said, even he at that point was able to discern that that this was probably going nowhere.

So, very, very important issues that obviously anybody who wanted to pass health care reform the next time around would keep in mind. So, let's go to the complexity issue for just a moment. And, I also want to commend you. As, I mentioned all the articles in the packet are great.

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And, there's one very good one by Hugh Heclo that ran in *Health Affairs* in the spring of '95. Hugh is a well-known Presidential historian, among other things. And, he writes, "far from encapsulating a simple message, health reform, the action to be taken pointed variously toward controlling runaway health costs to covering the 37 million uninsured Americans, and to securing uninterrupted and adequate coverage for persons already insured, over time the Clinton reform efforts cycled among these appeals, ending in the summer of 1994 on the theme of security, health care that's always there."

Chris, talk about that. That effort to reach all of these different aims, control health care costs in a huge economy, deal with then only 37 million uninsured people, then deal with the people who already had coverage to make sure they didn't lose it. Wasn't that also part of the problem? To address so many goals at once?

CHRIS JENNINGS: Well, no. I don't agree with that. I mean, I think that you're going to have to be addressing delivery changes, and affordability changes, and value changes, and coverage decisions together if you want to do something big in reform. So, I guess I disagree with that, if that's the notional conclusion.

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I think this has a lot to do with timing and implementation and the people and bringing folks together. And, I guess for those of you who haven't gone through this process, and I hope you never do, but I hope, unless you do and you have the outcome that we wanted to have, yes. But, I think it's important to recognize that health care is done generally— Nothing is done in Washington in a vacuum.

And, probably the most important lesson to learn is, to Brian's point, you do have to make it your priority. It has to be your priority as President and your singular priority almost. And, it has to be done very intensively. And, of course, yes, you don't throw legislation out.

And, there's a lesson learned that the last, this most significant expansion of health care over the last couple decades has actually been President Bush's Medicare Modernization Act. And the first time he ever had any legislation associated with it was when he actually signed the Bill into law. He didn't board any specific legislation up.

This issue of how difficult it is to do health care when you have many other priorities. And, the moment the President decided, and maybe largely because he had to and it wasn't because he just did it. There were a lot of economic advisers who suggested this, that to do the budget first, to

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do deficit reduction first, was perhaps the singular decision that made it impossible to do health care in that Congress. And, you add on top of that, not just— and by the way, the Deficit Reduction Bill, it's not very fun to do deficit reduction as you all know in this room— had passed by one vote in each body. Loading health care up on that would have [inaudible] been a task. May not have been an impossible task, but it would have been a task. And, that was the debate inside the administration.

But, then on top of that you did NAFTA. And, you did crime. And, you did a crime Bill, very controversial piece of legislation. And, as that was occurring, the President's popularity rates, for a whole lot of different reasons, was declining. And so in many ways, if you had a perfect implementation of health care reform and still tried to carry all that, I think you would have never gotten health care done. And, I think that's an important point to remember, is many valid criticisms there of the process and I'd be happy to document them and admit them and you can hold us and anyone else and, you know, and hang us in effigy. But, there were many, many other reasons that contributed. And, I think that the fundamental problem was that that early decision and the weight of all the other initiatives the President and his appetite for getting things done imposed upon us.

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SUSAN DENTZER: Brian, you've been scribbling madly. Give us the verbal version of some of your scribbles there.

BRIAN BILES: Yeah, I think, clearly anything that moves towards universal coverage is going to be very complicated. Certainly if it involves the private sector and doesn't simply move to some sort of Medicare for all. So, I think on one hand it's very complicated.

I think the second point that was mentioned is CBO. And, one of the things I think people have to really understand is that CBO takes a very critical eye of any proposal, particularly cost containment. And, they say, looking at CMS and all the providers out there, \$2.2 trillion worth of providers and all the lobbyists they've hired in Washington, and all the pressure that will be brought upon them. Is there any way that CMS could decide not to achieve these savings? And, if the legislation isn't written specifically enough that the CBO, the very skeptical CBO analysts, can say, no, there's no way CMS staff can wiggle out of this even if the Governor calls. So, there is a lot of detail. And, I think, it is associated with CBO.

I think the third point, though, is that there was a lot of stuff in the 1300 pages. And, I know one of the things that I was involved with, I was sent over to legislative council and we drafted 25 pages about rural,

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improvement of access in rural areas that had really nothing to do with coverage. There was a lot of stuff in there about physician training that particularly became a problem to Moynihan with the big teaching hospitals in New York City. And, I tend to think that some of that came from the word "health reform." You know, the name of this wasn't health coverage or universal coverage or 95-percent coverage, it was health reform. And sort of everything that anybody could imagine ought to be done to improve the health care system—coverage, cost containment, access, quality, whatever—got put into the Bill. So, I do think that the complication and the breadth, there may well be a lesson.

SUSAN DENTZER: Freud famously said that, "human behavior is over determined." You might think that the guy kills his wife just cause he hates her, but then it turns out there are 25 other factors that drove him to do that, not the least of which was that he was drunk the night before, had a blister on his toe that made him especially ornery, what have you.

And, a lot of people think that health reform was similarly, the failure was over determined because of all of the factors arrayed against it. Not the least of which was a small business lobby that was gunning for it from the beginning. And, it was also very evident that the Gingrich

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revolution was born amid the effort of health reform, that that's what, and there are memos now indicating that Gingrich and others thought that this could be used to sort of strangle the Democrats at the polls in 1994.

So, you all who were working for this semi-extinct species in Washington, which were sort of moderate Republicans, how did you deal with those forces since you really did have the momentum at least to pass universal coverage at one point when all of these other forces came in a raid against you from the right? How did you respond?

Christie?

CHRISTINE FERGUSON: Ugh! [Laughter] I think that health reform, more than anything else; you talked about the Crime Bill and deficit reduction and NAFTA all happening at the same time. For moderate Republicans at that point, those, each and everyone of those things was a really difficult set of votes because basically you were not 100-percent walking down the conservative public line. And, Dole had a really tough time at that point trying to corral people. He had a divided caucus and so, for example, you talk about the Crime Bill, you think about crime, really the big issue on the Crime Bill was guns. And, so you had the issue of semiautomatics and I can remember being in health

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care meetings and talking about and having the conversation go to this very tense vote on gun control.

And, you know, you cannot separate, as you all know, it's impossible for you when you're dealing with people to separate, oh, I'm going to deal with this person this way on gun control and I'm going to deal with him this way on health care. I mean, these are human beings. People remember when promises are broken or you can't make promises. And so, I think that it's really important to remember that it's the context that this stuff is being done in.

And, I will tell you, it was probably one of the most— I have in my mind this very idealistic and I think Chris has in his mind this very idealistic point in time when you were working with a group of people and you really felt like it could happen. And, you felt like they were brave. And, you felt like they were going up against these horrible, this really difficult thing. And so, my memories is that it was an opportunity to either express how deeply you felt about these issues or to decide that it wasn't as important to you as something else. And, that's ultimately what, I think that's ultimately what this all comes down to.

But, I will say this about the complications, okay? I left D.C. in '95 right after, I mean, literally. I took six weeks off. I said to Chaffee when the Congress went out,

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you know, I need to take a break. I haven't taken a vacation. I went to Florida with my family. My three year old son, my nanny told me that I had literally not been home—I mean she counted the hours that I was at work on a weekly basis, you know 100 hour weeks. And, I said, I've got this three year old child that I barely know. I'm going away.

And, I went away and I got a call from the Governor of Rhode Island to ask me if I would go and run Human Services, which was Medicaid program and a variety of other things. And, I left. I left.

But, I will tell you that that process of health reform had an impact that went far beyond whether it passed or failed here. It had an impact on states. We had a Kennedy-Kassebaum Bill passed. We had SCHIP pass. There are a whole series of things that happened some of which have its roots, some of which were actually drafted in the Bills that I worked on and the Bills that Chris Jennings worked on and Brian, all of us, Dean, all of us worked on Bills. Though pieces of those different things have passed in different formats. And so, I hate this idea that it died! And it's dead! And, now we're resurrecting and having another debate. It's like nothing happened in between.

And, I think it's really important for you, going forward, to understand that there really is an opportunity

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here to do good things. And, that you are going to disagree. There's no way you can get 100 people coming from as diverse a geographic and population base as we have to agree on reform that encompasses everything from education to community health centers to employer mandates. You're not going to be able to do that probably in that broad a scope. But, you can do pieces of it. And, I'm not talking about incrementalism in a bad way. I'm talking about using the experience to really push things ahead.

So, you're going to ask us what our one lesson is, right?

SUSAN DENTZER: Yeah, eventually.

CHRISTINE FERGUSON: Alright, so I'll save it for that. But, it is ugly. This tee shirt is blood. The kick on the rear is what you're going to feel like. Health care is not a happy thing. [Laughter] Health care is, whether you're at the state level or you're at the federal level, this issue is the one issue in our lives that touches every single thing. It touches investment. It touches tax. It touches spending. It touches welfare. It touches how people feel about each other. It touches everything.

SUSAN DENTZER: Not to mention life and death.

CHRISTINE FERGUSON: And, life and death. It is the one thing, one thing overall, other than money, other than

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dollars, that touches every single part of us. And, so to imagine that you can do this issue and not feel pretty bloodied through the process, I think is a mistake. So, you have to sort of hold on to those moments when things happen that are good.

So, anyway, I'm sorry. I went off a little bit there.

SUSAN DENTZER: So, how's the health care up here on Capital Hill? The minister to the needs of all these people who are going to be going through this?

CHRISTINE FERGUSON: It stinks. [Laughter]

SUSAN DENTZER: Dean?

DEAN ROSEN: I wanted to say a couple things. I remember in terms of keeping folks at bay. I actually have this very vivid memory of John Chaffee and John Brault in this room together with Christie and I don't remember what the name was. But, I remember he'd give this speech every six or seven days talking about both the Democrats and the interests on the left and the Republicans and the interest groups on the right who were coming after him. And, he'd say, "You know, Yale, when I was there never had a very good football team, but we always knew we had to win Homecoming. And, if we won Homecoming every year, our, our coach who, you know, had this terrible record when I was there had this

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saying that used to keep the, the alumni sullen, but not rebellious." [Laughter] And, I remember Chaffee telling that story over and over again.

CHRISTINE FERGUSON: Yeah, that's exactly right. Sullen but not rebellious.

DEAN ROSEN: I want to say two things about, I think Chris made a very important point about context. And Christie and Brian both made an important point about progress. I just want to pick up on. In terms of context, the context you're dealing in, it is really critically important. And, I, in preparing for this, I was reading these materials and if you think about it, any of us could have picked up *The New York Times* and read a Robert Pear story, I saw Robert earlier, or a *Washington Post* story today about SCHIP and read this paragraph:

"The history of health legislation is a striking measure of the complexity of legislating major change in an era of intense partisanship with a public that distrusts Washington and a campaign technology applying to whipsawing around voters' opinions and news reports that emphasize conflict and not explanation."

Well, Robert wrote that 14 years ago. And, if any of us, we could all-

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CHRISTINE FERGUSON: Do you just cut and paste?

[Laughter]

DEAN ROSEN: Yeah, exactly. He's going to get in trouble because he's going to find the same paragraph in a story about SCHIP.

But, my point is that for all of us who are also working in this context, and a lot of us in this room went working for a moderate republican to very conservative Republicans on other issues including the Medicare Modernization Act.

This context is today. If anyone thinks that the partisanship has gotten less intense than it was 15 years ago, that's severely wrong. If anyone thinks that the three big networks and CNN were more news then than we are now with all the 24 hour cable stations and the blogs and everything, it's more intense. And so, when I became Bill Frisk's health care policy director and we thought we were going to do a different kind of health reform, the MAA, I said to my staff, the first thing you need to read is *The System* by Haynes Johnson and David Broder about what happened during the Clinton reform. And, for those of us who worked on that legislation, we know, we absorbed a lot of those lessons about context. And, to Brian's point and Christie's point, a lot of lessons about the progress. We had a lot of intense

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discussions with the Bush administration to say, please, whatever you do, page 198 of *The System* will tell you do not send us up a detailed Bill that you take months drafting, number one.

Number two, the MMA, for example, was a bipartisan Bill. It got less bipartisan in the final hour, but we trusted the process. Essentially said to the Finance Committee, you know, go write the details in the Committee. So, you know, to Christie's point, there were important lessons learned. And, the context is critically important.

I did want to say also one thing about context in terms of really back to the future. I went and I looked last night at the 113 Congress statistics. And, it was really striking. For those of us who are looking at the next election and thinking what's next on big changes, if you look at the most optimistic democratic predictions of the outcome of the election, which is Democrats win the Whitehouse, pick up 6 or 7 seats in the Senate, and pick up 25 to 30 seats in the House. That would be, I think, the outside of right now of optimism. That was the Congress in 1993 when Bill Clinton became President. That was the Congress. There were 57 democratic Senators. There were 30 more democratic seats in the House. And, yet, health care reform never came to a vote on the floor of either the House or the Senate.

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So, the context, the process, the timing, all those things is really critically important. And, I think there are a lot of lessons learned by looking in the past. But, as Christie says, and Chris says, and Brian, not to kind of cry in our coffee, but to look at how to apply those. And, they have been applied successfully with SCHIP, with MMA, and other things where there's been success even on a very complex issue.

SUSAN DENTZER: We're going to move to some questions that have been passed up from all of you. And, I will also just invite anybody who wants to ask a question from the floor, please feel free to come up and catch my eye and we'll proceed that way, as well.

But, a couple of questions came in about the Clinton administration in the beginning of this effort, Chris, and let's have you take both of those. And, also please feel free to extrapolate from the lessons of the past to the lessons of the future. We can start moving into a more optimistic forward thinking mode here, as well as Christie just got us on the road toward thinking about.

Chris, if you had to do it all over again, should 96.5-percent have been enough? Should, I guess this goes back to should the President have waved the veto pen at the State of the Union in '94? Should he have engaged more of

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the moderates and the centrists on a lesser Bill from the start? And, also take up this one as well, a second question on the administration. How important to the administration's decision to develop its detailed legislation was the feeling of the new President's team that they were outsiders who were going to get it right where Washington had failed? Is that likely to be a problem again when, oh, every candidate on the campaign trail is seems to be running against Washington?

CHRIS JENNINGS: Well, can you guys hear me? Is this working? No.

MALE SPEAKER: Chris, try that one.

CHRIS JENNINGS: Alright. Okay? Yes? I'm moving farther to the left. [Laughter] Or to the right depending on your perspective.

Well, I guess I would that the President should propose and the Congress should dispose. And, I think you have to be very careful about waving pens around. I think that's one important lesson. But, I guess I would say that the reason why we're having this debate around covering all Americans isn't just because it's a moral issue that embarrass our Presidents when they travel abroad and they can't explain how we're the richest country in the world and we don't cover everyone. That's not the real reason.

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The reason that our system isn't working is because so many insurers are forced to compete on selection. And, one of the reasons why they support covering all in California and Massachusetts was because the insurance reforms that we say that we're all for, require everyone to be covered. And, so it's not just a moral issue. So, I hesitate to draw any lines about— There is a reason why we should be covering all Americans and it's substantive, it's policy, it's moral, it's all those things. But, you have to evaluate things as you go along as President and make determinations.

I do want to say this, though, that even if he wanted to, it probably would have been almost impossible to do so. And, I want to just give some context. Because he had asked the Democrats to do deficit reduction and crime and NAFTA, and they had all thought they were going to get universal coverage in 1993, 1994, there was a whole lot of Democrats who would say, well, are you a republican or are you a democrat? I mean what are we doing here? We're making all votes and it would have been extremely difficult.

And, I guess I would harken back a little bit to the lessons of health reform writ 1972 and beyond where it isn't just the far right who create challenges for getting a deal on health reform. A lot of people feel that if it isn't

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single payer in the democratic party, it's not worth doing. And, I'm far more about outcomes than structure. Even more so today than ever before. But in '72 you started out talking about the people who arguably contributed to its demise in '72, '73, '74, were a lot of people who felt single payer was the only answer and said no. And, I think Senator Kennedy today would tell you that he lamented that he didn't work getting that agreement back then with Richard Nixon. So—

SUSAN DENTZER: Because we should note that the Richard Nixon proposal looked a whole lot like the Senator Clinton, Senator Edwards, and Senator Obama proposal of today.

CHRIS JENNINGS: And, in many ways it did. And, so I would say that now you ask about the— what was the last complex—

SUSAN DENTZER: The outsider mentality, did that play a role?

CHRIS JENNINGS: Oh, well, I would just say there, that there is not been a Presidential race that I'm aware of that people didn't run against Washington to some extent. But, I think it is hubris to suggest, or let's just say it's naïve to suggest that you come into Washington and you can just say, I'm an outsider, let's do change.

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CHRISTINE FERGUSON: I have a mandate for change.

CHRIS JENNINGS: It doesn't happen that way. Now if you want to completely change our campaign finance rules, if you want to completely alter everything that we know how Washington works, if you want to ignore jurisdictional issues in Congress, if you want to just say, "Oh! Never mind, it doesn't make a diff- I mean, it's not real. It's not real. You need to have someone who is experienced, who is trusted on both sides to navigate this through. And, so, no, I don't believe that anyone, even if they say they're going to run against Washington, they're going to have to work with Washington to get something done. That's just that way. That's the way things happen.

Now, you have to have a public mandate to get those things done. And, the thing that I really want to stress, it was, as Christie was saying, those members and the President and the First Lady who had the guts to take on this issue, should be commended. Too often in this country of ours, we tend to say, we focus on health care about the faults of the reformers or the faults of the policy as though the status quo is not a policy choice in and of itself.

CHRISTINE FERGUSON: Right.

CHRIS JENNINGS: As though the status quo is not a policy choice that hurts people and allows more and more

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people to become uninsured and then to be more and more cost shifting and the economy to be hurt. So, let's hold all people accountable to that decision. And, I think there's more likelihood that we'll be making progress on this run.

CHRISTINE FERGUSON: And so can I just— I just want to be clear. I want to be very clear with people, because sometimes people say, "Oh, well, the President didn't engage the mainstream blah, blah, blah." That's not true. There was a lot of back and forth between the White House and us. And, I can remember flying on Air Force One. I can remember having conversations in the Oval Office and having conversations with Mrs. Clinton. And, so there were efforts. And, I don't think at the end of the day, it wasn't because it was 96.5-percent that it didn't happen. That's not why.

I mean, that was an excuse. We all had to make whatever excuses we could for what happened. But, it was really because it just was too much. It couldn't, at that point, there was too much water under the bridge. Too many other things, too many bad things that had happened. Democrats that had had to take some bad votes. Republicans that had had to take some bad votes. And, it was just a tough time. So, I don't want to leave you with the impression that 96.5-percent wouldn't have been enough for the President had we been able to put some other pieces

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together. That's not the case. There was a lot of interest and a lot of back and forth and a lot of communication.

SUSAN DENTZER: Dean, at an earlier forum like this, you told an anecdote that you illustrated that, I think as you said it, Democrats are from Mars and Republicans are from Venus. And, we went on to observe at that forum that if that was the case then, now Democrats are in the Milky Way and Republicans are Andromeda Galaxy or that things are even farther apart. So, with that as a context, let me ask you two, both of you Christie and Dean, to address this question from your perspective.

Do you think that Medicare for all is a viable approach to enactment of universal coverage? And, this, of course, is the reigning single payer plan at the moment. And, I guess I would put my spin on it, is it any more or any less viable today than it was in '93 and '94 when it was, of course, not the centerpiece of the Clinton health reforms?

DEAN ROSEN: Yeah, I think it's not. I think it's much less viable from a republican perspective in large part because, as Susan said, I think if anything, both parties, but clearly the republican party and the center of the republican party from 15 years ago, 14 years ago has moved farther to the right. And, I think, even more significantly, in terms of your question, I think at the time Senator

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Chaffee's proposal and Senator Dole's proposal and the Cooper Bill in the House and other things, were a way to go. But, I think now we do have, Republicans do have a much, I think, more fleshed out and more robust vision on health care. That is very different from the way it was 14 or 15 years ago.

And, so I think that vision really is the opposite of building on an expansion of existing government programs. And in some ways, if you listen to the, and you look at the plans of the leading republican presidential candidates, they're also in some ways the opposite of even building on the existing employment based system. Some have noted, I think with some accuracy, that the insurance reforms or the tax reforms that are the heart of some of those republican candidates' proposals may be viewed even as more far-reaching than some of the changes that the Democrats are proposing in terms of market structure. And it is because there is a much more defined, I think a much more fleshed out belief that the system needs to be built more on individual choice, competition, transparency, and those things. And, that is an idea that there was a strand of that clearly in 1993 and '94, but that is not where the majority of Republicans were.

Now, I think, again, that's not to say all the Republicans are on one plan, but ideologically that is where most Republicans are. So, I think that that proposal would

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be much tougher today, or certainly no easier than it was in '93 and '94. And, I think that you also don't even need to look at the Republicans. Just look at the Democrats. Other than Dennis Kucinich, none of the Democrats who are running for President are proposing single payer. They're all proposing something else. So, I would say more difficult these days.

SUSAN DENTZER: Brian, take that up from your perspective and also answer a question— and actually this came in for Chris, but I'd like to hear your perspective on it, too. Let's delve into this question that the supporters of single payer were actually a key part of why health care reform failed in, this person said, '72, '74, but we could also say pretty much the same thing for '93 and '94. Then more particularly, viability of a single payer proposal this time around.

BRIAN BILES: I think, first of all, I would agree with Chris that the failure in the '70s which really occurred after Nixon resigned. The new President Ford actually said his first priority was universal coverage. And, the option that was finally negotiated was essentially Medicare for all. And, it was organized labor who really walked away from that thinking that there was generally at that point some sort of

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liberal imperative and things would always be more liberal next year than next year.

Now, what we know, of course, was that Jimmy Carter won the primaries and served one term and then Ronald Reagan. So, that didn't happen.

SUSAN DENTZER: There goes that theory.

BRIAN BILES: My own sense is that the current balance between some sort of single payer really is the, and one, it would certainly be Medicare for all. But the current balance is this sort of Medicare type plan based pay or play. I think we've seen it described as, again, trying to make it look like it's not much of a change. Gee, it's federal employees for everybody and one of the plans inside federal employees would be Medicare or Medicaid.

SUSAN DENTZER: And, that is, of course, part of the Senator Clinton's proposal as well as Senator Edwards' proposal.

BRIAN BILES: My sense in fact is that the individuals who would like to see single payer have become more realistic, maybe, I don't know whether Chris you'd say, even than in the '90s, but certainly than in the '70s. And, are willing to say, if Medicare's offered, they hope because of low administrative costs and more effective cost containment, that it would be attractive competing with

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private plans. Now you do get risk selection and lots of other issues which gets back to the complication issue.

SUSAN DENTZER: Does that even sound—

CHRISTINE FERGUSON: Can I— I'd just like to make a point that I find this kind of interesting. Again, spending 10 years in the state gives you, in state— so I was in Massachusetts and I was in Rhode Island— it gives you a very different perspective on things. Because basically you can make anything work. If you really, if you really are committed, you can make almost anything work on the ground. If you think about what people are proposing in a single payer system and you take the all the way over right in terms of individual sort of responsibility or not even individual responsibility but individual control. I like to think about it more in terms of individual control and portability. So, that you're no longer tied to your workplace. And, you think about all those people who are loosing their jobs and the big problem that they have, or the thing that they think about first isn't even the fact that they're loosing wage, but that they have no way to get health care that they can afford. Right?

If you think about it, the premise of both sides is the same. The premise of both sides is that you should be able to have health care regardless of what your employment

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status is. You should never have to worry about loosing your health care.

The question is twofold then. If you agree about that, then where do you buy your health care and how do you afford it? So, who should help pay for it— how does it get paid for? And, what's the delivery system? Is it 150 million plans? Is it two plans? Is it five plans? Is it one plan? So, your delivery system is different.

But the fundamental premise of this is not such a bad premise from either side. It's that you should know that you always will have for your family health care insurance regardless of what happens to your work status. If you could agree on that and then work backwards from that and start talking about, okay, so you've got payment issues and subsidy issues. And, you've got delivery system issues in terms of is it insurance that's offered on the private sector. And, this is, again, this is where the complication comes in, but the fundamental concept, they agree on the fundamental concept. And, so maybe that's where you start. Maybe you start thinking about it differently. And, again, maybe I've just been out of Washington long enough to think about it more from the perspective of could I make that work in either case at the state level? Yeah, I could. I could figure that out. I could do that. And, so it's not so philosophical for

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me anymore. It's just literally, I see people on a day-to-day basis in my state. I saw people dying from things because they didn't have health care coverage. And, it was simple, there were simple solutions. And, all of this conversation up here is annoying when you see— it's more than annoying, it's tragic— when you see that happening.

So, that's really, I mean there's an agreement on some fundamental stuff on the very conservative and the very liberal side. And, it's just a question of how do you make that work?

SUSAN DENTZER: Several questions came in about long-term care. And long-term care was left out of the Health Security Act, there was no—

MALE SPEAKER: Wrong.

SUSAN DENTZER: Well, alright.

Chris Jennings: Like everything else. It was everything in the Health Security Act. [Laughter]

SUSAN DENTZER: Okay. Alright, you can clarify that comment in a moment. But, there wasn't created out of the Health Security Act a giant long-term care piece that had long-term care insurance. That's fair.

And, some questions have come up, if anything the situation is grimmer. The baby boomers are closer to retirement. Several of these questions point out, do you see

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Medicare expenditures are even a more critical worry than ever for states, do you see long-term care being dealt with during health care reform. And, let's go back to the '93, '94 case because of course in the run up to '93, '94 [interposing] there was a two- there was the Pepper Commission that came out with two proposals: what to do about long-term care and what to do about universal coverage. So, both were in the ether back then. Why did it not happen in '93, '94? What's going to happen this time around?

Christie?

CHRISTINE FERGUSON: When you loop it together, when you put all of this together it's so big. It's just- you know long-term care policy and sort of how that gets played out, that's just as important as coverage issues. And, it deserves the same amount of scrutiny. And, nobody was talking about long-term care in the debate. I mean, the debate was all about coverage. It wasn't about long-term care. So, that was just getting tacked on.

That's not the way to do long-term care, for crying out loud. This is huge! So, we need to think about these things in pieces, I think.

SUSAN DENTZER: Chris?

CHRIS JENNINGS: Well, I think that, just point of clarification, because Ed Howard's here and we had to do it

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for him. We had long-term care in the Health Security Act. And, it was actually, it wasn't comprehensive, but it was substantial.

CHRISTINE FERGUSON: Quite substantial.

CHRIS JENNINGS: I mean, it was 40, 50 billion dollars. And, that's real money back then. And, that was another illustration of a great strategic— We put a lot in and got absolutely nothing out, but brilliant move.

But, I think the one thing I would just say about long-term care is, of course, our long-term care system in this country by fiat or not fiat just because it is now, is the Medicaid program. And, the Medicaid program is the driver of cost for most states. And, I guess, I would suspect that if you do broader health care reform and you focus solely on broader health care reform, a couple things will happen that will benefit the long-term care debate.

One will be that there may be less resources that states have to spend on coverage that states can dedicate towards long-term care. So, there may be indirect and positive effects. And, I think in some of the delivery changes, particularly if we're talking about chronic care management or if we're talking about workforce issues— and, I wouldn't suggest doing a lot, but I think there are some workforce issues that clearly even the provider community

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would like to see part of the coverage debate without controversy. It's mostly money. You could see incidental benefits to long-term care.

So, I'm not saying that I see them attached at the whatever you want to call it, but there is going to be incidental benefits and it will help the states. And, it will help long-term care system, I think.

SUSAN DENTZER: Any, if you want to add anything? Okay.

CHRISTINE FERGUSON: I would just say as a state, I would rather send long-term care to federal and do coverage and just get a little bit of subsidy to do coverage. Let us take our long-term care money and do coverage with that.

CHRIS JENNINGS: I've heard that. [Laughter]

SUSAN DENTZER: Alright. I'm going to ask our panelists to be brief so we can get through a few more questions before I ask you to make some closing comments and assessments here.

Quickly for all, mental health care, now that was largely omitted from the Health Security Act.

CHRIS JENNINGS: Well, no, mental health was part, but what we didn't have was the parity debate until later and that was 1996. But, it's clearly out there now.

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SUSAN DENTZER: But, you may recall the prevailing joke at the time among mental health people was what are the mental health benefits in the Health Security Act? [Snaps fingers] Snap out of it. [Laughter]

So, that was a comment I guess mainly directed at the benefits package and coverage of mental health care in that. But, question is how confident can we be that mental health would be fully included in a developing health reform effort this time around?

Chris, you're nodding.

CHRISTINE FERGUSON: I think very. I think you can be very confident. I think the world has changed in terms of how it views mental health and the synergy between physical and mental health. I think that there's a big difference now. It's a big problem because we don't have enough appropriate providers and there's all kinds of delivery system issues, but having said that, I don't, I think you, I won't say that you'd be hard pressed because I know there are some out there that don't include it. But, in terms of something that would actually pass Congress, it would have to be in there.

CHRIS JENNINGS: I'm sorry, go ahead.

SUSAN DENTZER: No, go ahead. Brian?

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BRIAN BILES: My sense is this is an issue that's been discussed in great detail since the early '90s and is likely to be included. And, I think beyond that, I think some of the cost estimates now, certainly in the context of what universal coverage would cost, are pretty modest.

CHRIS JENNINGS: And, lastly, I'd just say that in the aftermath of President Clinton applying the parity provisions to FEHBP, and the actual experience, the cost did not have a substantial impact. In fact, it was neutral. There's much greater confidence as Brian suggests and I think since a lot of the Democrats are talking about FEHBP type models, you already start the debate in a much better place.

SUSAN DENTZER: Is it also fair to say that the science, I don't know how much impact the science actually makes on any of this policy, but the fact that the science has progressed to the point now that we clearly understand mental illnesses or organic diseases, just like diabetes, does, Dean, does that make a difference?

DEAN ROSEN: No, yeah, that was exactly the point that I was going to make. I think that in the last 10 years we certainly know a lot more. And, I think that pharmaceutical treatments have become a much more important part of treatment. In fact, one of the most, if not the most prescribed drugs are antidepressants. So, and a lot of them

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are prescribed by primary care physicians. And so, clearly I think it's going to be part of the debate.

It raises a broader question, too, which might get into of sort of what's in and what's out and what does that mean. And, I think one of the issues that was never fully addressed in the Health Security Act in terms of defining things was we never really had kind of a comprehensive debate about the benefit package. At the time there was a defined benefit package and that was a big fight. Clearly everybody, you know, everyone who had supported long-term care or mental health or whatever else it is wanted to see a line or a section or a title in that Bill that said, you know, we're going to do this. And, I don't think we ever fully had that discussion.

I think that, my sense is this time around, and I clearly, you know, speaking from a conservative perspective, if we're going to define coverage, my sense is that it would be more attractive to most Republicans to try to define that in economic terms as opposed to kind of guaranteed benefit terms. There may be some exceptions. Mental health parity is clearly one that's got broader bipartisan support now than it did then for the scientific and other reasons. But, I don't think that's a sub issue here when you talk about benefit

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design and what's in and what's out and how specifically you define it.

CHRISTINE FERGUSON: And, I have to add this. That the next, the mental health that was happening in the '90s, the next debate that's like that is around obesity. This debate, this time, the big issue is going to be around what obesity coverage should look like. What overweight and obesity, what the drivers are. We have a project that we're working on that brings coverage together at GW. And, I can tell you that this, this issue is such a driver in the cost of health care this time around, that not addressing it would be a huge mistake.

SUSAN DENTZER: We have just lived through, and we actually continue to live through, a debate about SCHIP. And, Christie you mentioned SCHIP is one of the good residuals that came out of the debate last time around, SCHIP.

CHRISTINE FERGUSON: It's a residual.

SUSAN DENTZER: A residual. Okay, well we can discuss the definition of good. What does good mean? In any case, what role will children's health coverage play or not play in health reform in '08? And, I guess a related question is what do we read into the episode this past year

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over SCHIP that gives us greater or less confidence about a broader reformative aid taking place?

Chris, do you have observations on that for starters?

CHRIS JENNINGS: Well, we're trying not to be partisan here, I think. I think it would probably be different if there was a democratic President this year, obviously. But, I think the observation is that there, and as I think Dean has laid out, there are definitely more significant philosophical differences between Republicans and Democrats than there have before. I don't think it translates to the gubernatorial level. It really is more of a Washington, D.C. based phenomenon more—

CHRISTINE FERGUSON: It doesn't exist any place where there are practical realities. Like you have to balance the budget at the end of the year.

CHRIS JENNINGS: And, so I guess I, the hope that I, I guess that I believe that sometimes you make a decision in office, I would suggest this was a bad decision by the President. But, you can make a decision to stop things or sign things. And, that's ultimately what the President can do. He chose to sign it and to do a veto signature rather than a signature one. And, I guess my feeling about that is that he sent back the perception that you can do reform, but I don't think it's the reality.

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SUSAN DENTZER: Brian?

BRIAN BILES: I think, again, in terms of the process, if a democratic President, and certainly is reconciliation and if actually we go back to the '80s with the annual reconciliation process, one of the things, which was mostly of course to reduce spending, reduce the deficit, Henry Waxman, year after year after year, the reconciliation Bills included provisions to improve coverage of children in Medicaid. So, I think if a democratic President, that certainly the SCHIP becomes, I would hope, sort of a small piece of a much broader package. And, I think there's certainly commitment to children. Hopefully with a broader package as well.

SUSAN DENTZER: And, what do you all think from the republican side? We have, of course, Senator McCain who voted against SCHIP reauthorization. We have mixed messages on, say, where Mitt Romney is on this kind of thing, saying, "Universal coverage was great for Massachusetts, but I'm not going to tell any other state what to do." Et cetera, et cetera. What do you think?

DEAN ROSEN: I think every republican presidential candidate essentially sided with George Bush on this. And, I think what it shows is, you know, as Chris says, I think those on the right who were looking at this in some ways

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viewed it, and I think on the left as well, as either a microcosm of a broader debate or a proxy war for a broader debate however you define it. And, I think Christie is right in the sense that it, in some ways, was driven by things beyond practicalities. But, it was driven by a bigger statement about where the two parties felt like they wanted to go or feel like they want to go in terms of what the system looks like.

I think Chris and Brian would probably say there were Democrats who viewed this as a next step or a first step on the way to something much bigger that involves something where the government would have a broader role. And, I think Republicans viewed it that way, too. And, that was the division.

I would say, I think that those issues can be bridged. I think when you sit down and there's a desire to work together they can be bridged. In some ways, and we haven't talked about this today, it was not as much of an issue in SCHIP, but it was a little bit of an issue, but there are philosophical differences in terms of approach and direction. And, those are tough. The ones I think that are in some ways even tougher, and I think they are tougher when you get into these bigger issues are the budget and the tax discussions. And, I think that's why in the next time, we've

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talked a lot about today some of the policy differences and ideological differences about direction. And, I think those are real. And, I think, they can also, even though they're real, will be bridged by people, sort of, of good faith who want to work on them.

The next reform debate, I think, if there is a democratic president, is going to be as much about tax reform as it is going to be about health reform. Because in a sense all of the leading democratic proposals rely in part on repealing or not extending some portion of the Bush tax cuts. And, so, you know—

SUSAN DENTZER: And to all the republican proposals deal with the federal income tax exclusion on health insurance.

DEAN ROSEN: Right. So, that's another very, very important piece of this is how do you pay for this, which was clearly an issue as everyone said back in '92 and '93 and '94. But, I would submit now is a much bigger issue in addition to these ideological things. Again, I don't want to be the eternal pessimist, but I think that's an important point that we can't forget.

BRIAN BILES: You are succeeding, Dean.

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SUSAN DENTZER: Let's take one more question from the audience before we turn to wrap up because we are going to try to end on time here at 2:00.

Dean, you just brought up how the discussion of health reform will be as much about taxes as anything else. We have another issue that has loomed onto the front pages, which is the state of the economy. And as we increasingly hear talk of recession, do we think that the need to tend to an ailing economy, or at least the after effects even next year of a period of economic weakness, will divert attention from health care?

DEAN ROSEN: I would say it could, but as I think David Colby referenced in his comments, if you look at the latest *ABC Washington Post* news poll, it showed that the economy over the last three months has sort of tripled in terms of it's importance in people's decisions about the President. That when you then ask people as a follow-up, which is the most important economic issue? It's health costs.

So, my sense is that one way or another, there's going to be change in Washington whether a republican is President or Republicans take back the Congress or Democrats keep control. And, I think, whether it's economic issues or health issues, I think health is going to be a part of the

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debate. The question will be, I think, degree. The question's going to be focus. Cost versus coverage. You also hear a lot more from the Democrats about coverage and a lot more from the Republicans about cost. But clearly, I think health is part of the mix. And, pretty clearly, I think, from that poll and from other indications, it is a part of the economic anxiety, a bit part of the economic anxiety.

BRIAN BILES: I think if we go back again to the, not the '94, '93, but before that '91, '92 and the campaign, We remember the famous sign in Little Rock, which is "It's the economy, stupid!" And, then below it was, "and don't forget about health care." And, I think the point is that in a country where health insurance is fundamentally employment based, about 60-percent of Americans have employment based insurance. When people are concerned in a recession, as the number of unemployed goes up, about loosing their job their also particularly concerned about loosing their health insurance. And, this is particularly an issue for women, both who use more care themselves and then managed care for their children.

So, my sense is with a recession, things if anything look much more like 1992 and it being an issue in the

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campaign and there being commitments to doing something about it. Perhaps, early in the new term.

CHRISTINE FERGUSON: And, when you add to that, the fact that private companies and states and localities now have to, in a very transparent way, talk about what their debt, their unfunded liabilities are in terms of retiree health care, I think that when you add the recession, people loosing their jobs without having a health care option, and that issue of businesses really facing credit ratings based on this disclosure. And, towns, cities and towns, I'm seeing mayors who are freaking out about health care who've never worried about it before.

SUSAN DENTZER: Because of the cost of their public employees?

CHRISTINE FERGUSON: Because they have to report the cost. It's not that it's changed, nothing's changed, but just the fact that they have to out those years and talk about it. People, suddenly it, it's like a crisis that really isn't a crisis, but we've created one.

And, so I think when you add all those things together, it's impossible and the increasing pressure that Medicaid is putting on states, I think it's impossible, absolutely impossible to take health care out of the economic discussion.

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SUSAN DENTZER: Well, in addition to the lessons that we were talking about earlier, the '93, '94 debate seems to hold. The lessons about timing, the lessons about complexity, et cetera. We've heard just in the last half hour or so some additional lessons. One is that, if this is going to happen at all, it will have to be the singular priority of the next President. That it will require that degree of mustering of political power and the mandate and whatever else to get it done.

We also heard that inevitably, whatever is proposed is going to get a lot layered on top of it. Because everything and its mother will come out of the woodwork as a health reform issue and probably have to be dealt with.

We heard the optimistic comments from Christie, though, that we shouldn't look as if everything was for naught in '93 and '94, some good things, paraphrasing you now, did come out of it. And, there are lots of reasons why we could expect these things to be dealt with in pieces over time, not the least of which is the long-term care issues that we've discussed.

Let's close by asking all of you to address a final question that came in. And, I'd like you to do the impossible which is knit in a couple additional points as you answer this question. The question is, in broad outline what

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could pass today? What would pass today? And, incorporate into that answer a couple of observations. First of all, what's the biggest lesson of '93, '94 that if it were dealt with properly this time around, legislation could pass? So, address whatever was the biggest single impediment to the passage of '93, '94. And, then also tell me, put this in this current context, which is it's a real different world as we've all heard from everybody than it was 15 years ago. What's the biggest single change that's occurred that's going to either make it more likely that health reform would pass or less likely?

So, complicated question, but what could pass today? How could it pass if something were done differently than done in '93 and '94? And, how does it take into account very different realities than were the case then?

So, Chris?

CHRIS JENNINGS: When we say today, are we saying in this Congress? Are we saying?

SUSAN DENTZER: Well, no literally, it would be the next. It would be—

CHRISTINE FERGUSON: 2009

SUSAN DENTZER: Right. It's January 20th, 2009.

CHRIS JENNINGS: I wanted to make the point, and I think this is a very important point that Christie mentioned

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and which was that they spent— and certainly Brian did, too. This year is the year for laying the foundation for something bigger. And for those of you who are members and staff, who are contemplating hearings and seminars and lectures or whatever for your members and for key staff, this is a critical opportunity for you, and it's actually a necessity. Because it opens up the possibility for something to happen if not every single word that's people, that comes out of people's mouth is a foreign language.

So, what could pass? Look, I'm not going to say anything other than something that could pass that would provide, well that would ensure affordable quality care for all Americans over a period of time. And, anyone who lowers the threshold at this point in time, I think, would be crazy. And, so I'm not.

And, I guess, I'm going to go straight to the reasons why. It's maybe a little bit of an irony which is that, notwithstanding, the philosophical differences between the Republicans and Democrats on health policy, I think what's really changed that's different in Washington now is the opposite of what Stuart Altman used to always be credited with, which was—

SUSAN DENTZER: Stuart Altman of Brandeis University.

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CHRIS JENNINGS: Brandeis, who always said that everyone's second choice is to do nothing. I don't think that's any longer the case. I think people are looking at the current trend lines as being absolutely unsustainable. And, ironically, I think it's the stakeholders— the providers, the consumers, business, labor, health plans, and others— who are going to actually be a positive force for change, to push Republicans and Democrats to work together under the leadership of a President who knows how best to do that.

SUSAN DENTZER: Brian?

BRIAN BILES: My own sense of what could pass, again, with presumably a democratic President, would be some sort of Medicare based pay or play. And, again, this could be this description of Federal Employees with a Medicare type plan. But, I think something that merges. There's always been this historic between the private and the public. And, I think this sort of pay or play with a Medicare plan sort of bridges that and gives both sides enough they can look at it from either perspective.

How pass, again, obviously, my point is in the first year and generally with reconciliation. I think people say, well the reconciliation is important because of the

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protections in the Senate. I think it's actually the timetable, the-

SUSAN DENTZER: Meaning, for those- ?

BRIAN BILES: Basically, it's protected from filibuster in the Senate. But, I think the most important thing is actually the timetable that tells the Committees they must report the legislation out by July 25th or some date. So, I think it's the time table that's really important about reconciliation. Again, the lessons from Reagan, Bush One, Bush Two, all did their most important policy in reconciliation in the first year. So, I think that's how it could pass.

The difficulties which have been more alluded to than discussed are the costs. We have some numbers here from Lewin for a Commonwealth analysis, something on the order of additional \$100 billion a year. That can either be on budget, which leads to Dean's points about taxes. It can be off budget as some sort of employer mandate, which gets you right back to the NFIB small business debate from the earlier years. So, there's a real problem with budgets and costs. And, I will note, of course, in Washington everything is scored by CBO. The people in Massachusetts generally say that Massachusetts could not have passed its health reform

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package had there been CBO scoring and federal budget rules in the Massachusetts legislature.

CHRISTINE FERGUSON: Yup.

BRIAN BILES: Christie would agree.

CHRISTINE FERGUSON: Absolutely true.

BRIAN BILES: So, I think that's the problem.

And, I think there's a second issue, which we haven't mentioned. Health care is now such a large industry, 16-percent of the economy. And, health care in Washington is the single largest topic with lobbyists in Washington. And, that represents, again, all the interests in to a \$2.2 trillion industry. I think that's a lot bigger. In terms of Washington interest and Washington participants. And on one hand you would hope the ability to move through and beyond that. But, it's clearly a complicating factor.

SUSAN DENTZER: Okay. David, do you want to comment on this?

DAVID COLBY: I think we've been emphasizing the negative, that is the case where we were failures. I think, I would also turn it around and think about where we were successes for the lessons. And, you think about the Balanced Budget Act and SCHIP and the lessons from that, which is again the lesson Brian mentioned, put it in reconciliation. It was also a compromise between Senator Kennedy and Senator

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Hatch. And, I think Massachusetts provides us with the kinds of political lessons that shows us forward. That it can be done, it can be done with non-partisan compromise. And, it can be done, with a thing that's always bothered me, without much detail. That is you had to fill in the blanks later on.

So, I think reconciliation, probably the less details assuming you can get it through the CBO, and non-partisan compromise.

SUSAN DENTZER: Christie?

CHRISTINE FERGUSON: Okay, so I don't know. I don't know. I suspect that what could pass, we haven't seen yet. And, so, I'm not going to speculate on that. I just want to leave you with one message. As somebody who was here for 15 years and spent 10 years actually implementing and doing things after I talked about them.

We are in a city and we are a group of control freaks. We are all Type A control freaks in Washington. And, what that means is, in this universe we all want to have it our way and we all think that we are right. And, we're all very smart and bright and thoughtful people. And, we probably would be right if we were dictators. But, since we're not, my message to you is— and I made this mistake over and over again. I was right, I was right. My message to you is that maybe what this is about this time is the ability to

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take a leap of faith and to back away a little bit from what you believe is right and allow some other idea to enter into the equation. And, if we could all step back slightly from our need to control the paper and our need to control the meeting and our need to control the outcome, if we could just step back slightly, we might actually be able to achieve something bigger. And, so therefore when you get into these meetings, when you get into these moments where you have your member and he's saying to you should I do it or shouldn't I do it? Instead of you knee jerk reaction, maybe just make a gut check. Just a gut check each time. And say is it better to have a status quo or would I be willing to live with and try to fix any mistake that might happen as a result of this vote in a positive change direction? If we just took that gut check, a little bit of a leap of faith, and walked away from our Type A personality slightly, just slightly, it might be possible to come up with some, to come up with at better solution than any one of us could do on our own.

SUSAN DENTZER: And, Dean.

DEAN ROSEN: I'll answer your questions in reverse order. I think the biggest change is that I think this debate is going to be also about tax reform and budget reform. And, it was about that last time, but it was subsumed. I think that's a big change and if you look at the

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presidential candidates on the republican side, there's not one that's even enthusiastic about the Medicare Modernization Act, which is the Bush, one of the Bush signature accomplishments and it's because it's unpaid for. It's not because it had private sector competition. It was because it was an offset. So, I think that in terms of, you look at the numbers I described earlier and I think the need for some measure of bipartisanship to get something done. It's going to be harder to do it in part because of these budget and tax issues. That's going to be a big change.

Having said that, I think the question about what could pass is actually the most important thing. And, this is one of those things where we turn to you, which is I think one of the lessons of the Clinton Reform Plan and the opposite lesson from the Medicare legislation, which is none of us or no one in the White House is probably going to hand this next Congress something that's going to pass. What I can say, I can bet that what's not going to pass is what any of the presidential campaigns are talking about right now. Campaigns are not about specifics. Campaigns are about impetus. And, coming out of this election, the question I think, as Christie said, is will there be the will? Will there be the mandate? Will there be the political will? Will be the desire for you all to work out the details

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because the 4, 5, or 6 of us probably right now could sit around and do it, if somebody told us to do it. If the American people demanded that we do it. If our bosses demanded that we do it. And, I think that this election becomes about providing that impetus. The details are up to you.

SUSAN DENTZER: Well, in that Hugh Heclo article I mentioned a few moments ago, there's this wonderful phrase. He says, "We cannot rewind the tape of history and see what, if anything, would have happened if different choices had been made or certain events had not intervened." But as you can tell from the last hour and a half, we have basically been rewinding the tape. And, I think, what has come out of it is some really fabulous insights that I hope will be of benefit to you all.

There's a really quaint custom in Japan, which is when people do things that are really significant, they name them living national treasures. And, I think the five people you have up here, you may think they were just grunt staff people on the Hill, but, in fact, as you've heard from their insights, they really have a treasure trove of insights for you and experience for you. And, they make my list of living national treasures, at least as far as you get in Washington and probably beyond that as well.

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So, join me in thanking all them for a terrific
discussion. [Applause]

[END RECORDING]