Health Care and the ’08 Election: A Preview
Kaiser Family Foundation and
Alliance for Health Reform
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ED HOWARD, J.D.: With that, let’s get started. My name is Ed Howard with the Alliance for Health Reform. I want to welcome you on behalf of Jay Rockefeller, our chairman; Susan Collins, our vice chairman; and the other board members to this briefing on the role that health care might play in the 2008 elections.

If you have been around here for a while or if you have been around health care for a while, you probably heard versions of this conversation in some previous years. There are, in fact, we were talking about a similar program that the Kaiser Family Foundation and the Alliance were involved in some 16 years ago in advance of the 1992 elections. And there are some poll results that show a high level of dissatisfaction with the current system, a desire to have Congress and the president do something to make it better. Then comes the election and the new ins don’t ever seem to get around to making those major improvements everybody thought there was mandate to do.

So I guess the question for our panel today is how is 2008 different from the last few presidential elections with respect to health care? Is Charlie Brown really going to get to kick the football this time? [Laughter] Or are we going to kick away our chance to fix what everybody – well, almost everybody - agrees are major flaws in the current system?

As I mentioned our current, our partner in the program today is the Kaiser Family Foundation, one of the country’s foremost voices in health care and communications. Their public opinion collaborations with *The Washington Post,* among others, have given us a lot of insight into a range of topics related to health care and social concerns in general. We are happy to have Drew Altman, the CEO of the Foundation, with us today. You will hear from him in just a moment.

Let me just do a few logistical tasks. In your packets, you will find a lot of background information, speaker bios, more extensive than you will hear from the moderator, and copies of the slides that we had in time to give them to you. Those of you who have colleagues unable to have been here today should tell them that as of 4 o’clock this afternoon, they can view a webcast of this briefing on kaisernetwork.org, a service of the Kaiser Family Foundation, I might add. And in a few days, you will be able to view a transcript of the discussion today on that same Web site and on the Alliance Web site at allheath.org.

This has been a useful service and we pass over it, too often just mentioning it. A lot of people tell us that they follow up and use the materials that are posted there the same ones that are in your kits and it effectively doubles our ability to reach and inform the opinion leader audiences we are seeking to reach. And we are very grateful

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to the Foundation for having done this from the time Kaiser Network got put in place, not just for those events that Kaiser is a direct participant in, but for all of the briefings that the Alliance does in and around Capitol Hill.

It’s also, I think, appropriate to remind you that there are green question cards that you can fill out and hand forward at the appropriate time. There are some microphones that you can use to ask questions. That’s the really lively exchange part of the program that we try to guard jealously. So you have a chance to be part of the conversation.

So, I’ve postponed our distinguished line-up of speakers from your edification for long enough. We have the aforementioned Drew Altman and prominent opinion experts from both the Democratic and Republican sides of the camp. So if you will, you know, mute your cell phones and pagers and things, let’s get started.

Drew Altman is the head of the Kaiser Family Foundation, has been since 1991. So he saw the last health reform movie from a pretty good position. In the past, he has run the Human Services Department in New Jersey. He had held senior positions at other major philanthropies. He is skillful enough to have assembled at the Foundation one of the most star studded staffs ever assembled in health care and many of them are assembled right down here, as a matter of fact. Drew, thanks for making the trek across the United

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States to be with us. And it’s your turn.

DREW ALTMAN, Ph.D.: Okay. Thank you, Senator Hal Brooke. Ed asked, how is it different this time? And the answer is it might not be. So thank you all for coming. I would be happy to [laughter].

I’m going to give you a mixture of policy and political analysis. I’m going to show you a few poll results, if we can get them up here, but my bottom line is I do think that we may be at the opening of our next great health reform debate. Obviously, the first we have as a nation since the great debate of the early ‘90s but a lot of things have to fall in place first for that to fully develop. We are just at the beginning stages of what might potentially be our next great debate. Second, to produce a mandate for action coming out of the 2008 election, and then third, to result in a deal on legislation in the new Congress in 2009. And you all know that’s going to be the really tough part. You all see what tough sledding the SCHIP to date is even today.

So let me get started with this, but first I want to do a public service announcement. Great, I want to tell you about, this is a new Web site that we’ve created as a resource for all of you for the health policy community on health and the election called, not surprisingly, health08.org. And our idea was to create a central hub of information on health in the election with our analysis and

polls, everybody else’s great analysis and polls, candidate speeches and the candidate plans, news on health in the election every day from all the broadcast sources and all the print sources, interviews with the candidates. We plan to do pretty much anything that, you know, walks or breathes or has an interesting fact or number on health in the election will be on this site. So, you can go to it directly. You can go to it through other Web sites which hopefully are familiar to you. Kind of imagining that at some point in the campaign, we will have more room to work with in the middle of the page. [Laughter] And I hope you find it useful. So I wanted to make you aware of that.

All right, let’s get started with this. To set the stage, this is what we have been seeing now for several years in the tracking polls that we do every two months. Some of you are familiar with them at Kaiser Family Foundation. People really are very worried on a personal basis around the kitchen table about health care. And what they are worried about are health care costs and the costs of health insurance. Some months it’s the top concern, some months it’s the number two concern. This most recent poll in early June, they were a little bit more worried about rising prices in general, but those two are always at the top of the list. And the thing that we always see is it’s a top personal worry. And people are more worried about their health care costs and

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the rising costs of health insurance and things people really do worry about a lot, like paying the rent or the mortgage or losing their job and it’s not on this chart, losing money in the stock market during times when people are worried about that. So register that thought. It’s a strong and has been for a long time a strong, indeed sometimes the top, personal economic worry and concern. Because I also want to show you this.

You can see it but I can’t see it, but I think it’s — because we have always been seeing this in the regular tracking polls that we do, a great disconnect, what I call it, between the personal worries and real political salients in recent years, I’m going to show you something different in a minute, with health just not competing successfully as a top political or national policy priority. So this is the exit poll or the two exit polls from 2004 and you can see health came in fifth on the national exit poll and eight on the *LA Times* exit poll, which I actually like more because it doesn’t oversimplify the world too much. It lets people pick two things instead of just one thing.

And then this was the ultimate insult to our issue. This was the [laughter], yeah, the 2006 exit poll in which they asked voters about seven things when they left the voting booth. You can see what’s missing. They disappeared our issue completely. They left us off the 2006 exit poll.

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Now, I might have quarreled with that, but there was a judgment there that our issue, that health just wasn’t cutting through as a real political issue even as recently as the 2006 election. And of course, it’s tough for any issue to cut through in an issue environment totally dominated by Iraq. So keep that in mind.

Now fast forward, what are we just nine months to pretty much current death because we are seeing a very different picture. It’s really a different picture. It’s not an exit poll but in our most recent polls where we are seeing health standing as the number two issue, this is on the right side of the slide that you are looking at. The public wants to see it addressed, still distantly behind Iraq, of course, but the number one domestic issue and interestingly for a briefing which is about health in the election, the number one domestic issue, the people want to see the presidential candidates talking. So that’s pretty significant.

And in case you are wondering, well, maybe that’s just what we are seeing in Kaiser polls, here is a whole bunch of polls. Similar results from a bunch of independent polls with different question wording, some open-ended questions, some risk style questions. You do get different results using those different approaches but not so much here, pretty much the same results.

So I wouldn’t get too fixated on the ranking. You

know, this isn’t Major League Baseball where they are playing for the wild card and in health reform we are not even to the All-Star break yet. But I think what we can say is that the issue, our issue, really does seem to be moving up in the public’s mind and I think we can say that with some confidence.

When you look at the aggregate numbers we always see some differences by party affiliation and those are important to know about. These vary by poll and they vary by question and it’s particularly hard for me to get a handle on where Republican voters really are these days on this issue. But you can see in this chart that health ranks third for Republicans and is nosed out by immigration. Some question what the staying power of that issue will be.

Let me give you my general understanding of where this is. In general, Democrats care more about coverage, Republicans about costs, with independents in the middle. In general, health has historically been a less salient issue for Republican voters, but I think a really important question is, is it rising for Republican voters too? I see some evidence of that. But that’s something to watch and it’s something I would like to hear about today.

So what’s new in health arena on the agenda? I think it’s pretty obvious that we really are not witnessing a

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short period of time. It is the same ole American people. You know, they want health reform, but they don’t want their own health care arrangements fundamentally changed. That is the basic third rail in health reform, about half of the American people are willing to pay more, about half are not willing to pay more for health reform. That moves around within a narrow band but for about 10 years, it hasn’t changed a whole hell of a lot. Rather, I think what we have seen is a combination of real world developments and forces that have come together that have focused media attention on this issue that has then engaged the public. Really, it’s just what we have seen in immigration, an issue which, by the way, in the forefront just recently, was never previously picked by more than 5-percent of the American people as a top priority for action by the president and the Congress. But there it was. So that tells you something about the agenda setting and how national agendas get set, how issues get on a national agenda.

It’s the something that we saw happen in the early ‘90s, except in the early ‘90s, the issue was driven to the top of the agenda by a president and then a super-heated national debate that followed in all the media attempts to follow that then engaging the public. This time it’s being driven not by a president but by a combination of developments and forces and we are not at the level we were at, I will show you that in a minut, in the early ‘90s.

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So certainly, the pace-setting stage have been really important because they have sent the message that something big can be done here. And there may be ways to cut through the ideological impasse that we see in Washington on health reform that you see now in the SCHIP debate which has been so profound.

The stakeholder groups in Washington and the strange bedfellow combinations of them putting forward their proposals that has had an impact. President Bush’s state of the Union proposal has turned up the heat on health and laid down a marker for plans to, I think, will be echoed by Republican presidential candidates, for example, Mayor Giuliani.

Health care issues in the Congress, SCHIP, price negotiation, reimportation, medical advantage payments. Democrats taking control in the Congress and focusing on health with a different agenda. These things have moved the issue on the agenda and most importantly, I think by far most importantly, the presidential candidates beginning to talk about health with their unequaled ability to drive national media attention beginning with the Democratic candidates. And we will see what happens with the Republican candidates. That’s important.

I thought you would be interested in this. Massachusetts has, I think, special significance because it

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is the state actually implementing a comprehensive health reform plan at exactly the time when our issue is heating up nationally and because it is a real-world test of this idea of an individual mandate which has gained currency recently. We just had done a poll, very recently, of the people in Massachusetts. So we don’t know how this will work out as it is implemented. There is reason, I think, to be guardedly optimistic about how the Massachusetts plan will work out, but we can tell is this starts, the public is rather supportive both of the plan and also of the mandate. Despite another finding, I’m not showing you that people in Massachusetts actually feel that their taxes are going to go up as a result of this plan even though there is no provision that they actually will. So that, I think, is significant.

I have got a one-minute warning, and I think maybe I can do it. [Laughter] So what has to happen? A number of things have to happen. If the states fail some of the key states it will be take some of the wind out of the sails of national health reform. I think business is important. It is fundamental that there is a big debate in the campaign. It isn’t for sure that that will happen because it is doubt that we are creating mandate for action going into the new Congress. We can talk later about what a deal might look like in 2009.

And finally, what to look for? I think two things to

look for. First of all, as I said, we are in the early stages of the build-up potentially to our next big debate about health reform, but we are not at the level that we were at at the early ’90s. This is the level we were at the early ‘90s, any Iraq-style level of public interest and focus on health reform. Today we are in the teens and we are in the 20s so it’s going to move up still a little bit.

Lastly, one more thing has to happen, I think, to move this forward. This is what started it all. This was the Wadford Thornberg race in 1991. It’s the first time that we really could show that health mattered in a significant national election. That’s something called gross actually turned on health. So when we look back at the 2008 election, I think we are going to have to be able to say that health was at least, I mean Iraq is going to be the most important factor but we are going to be have to be able to at least say that health mattered in some way to the outcome in the 2008 election to have momentum going into 2009, so.

Thank you very much.

ED HOWARD, J.D.: Thanks very much, Drew. Excellent. [Applause] Excellent framing of the issue.

We are going to turn now to our two politically active pollster-type expert panelists. And we are going to start with Gary Ferguson. Gary is vice president of the American Viewpoint. He is one of the founders of American

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Veiwpoint Incorporated, which is a major Republican polling firm. Both Gary and Windsor Duval from American Viewpoint have great alliance programs in the task. Gary has polled for a whole bunch of major Congressional and state wide campaigns. He has done work for both the House and the Senate Congressional Committees. He is published widely on opinion topics and he is here to share his insights about Republican attitudes toward health and Republican chances with health care in the 2008 elections. Thanks for being with us, Gary.

GARY FERGUSON: Thank you, Ed. Is that what I’m talking about? I thought — anyway, just kidding. [Laughter] I’ll touch on some of that stuff.

Well, good afternoon. It’s nice to see everybody coming out today. We have a lot to cover so I will talk fast, as fast as I can, anyway. First I will go through some polling data and then some observations. Some of this will support some of the things that Drew has already talked about.

First, as he pointed out, health care is a top domestic issue for the president and Congress to address. More important than immigration reform, government spending, education or taxes - this is as of February 2007. Of course, the war in Iraq takes precedence over other issues at this time. Health care is in reasonable shape though at 15—percent according to a June survey for NBC News and *Wall Street*

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Journal.

We found that within health care, that addressing the issue of the uninsured is a major concern for voters regardless of their party. When you look within health care, it’s more important to people than looking at Medicare and Medicaid, Social Security reform. More important than having Medicare negotiates prescription drug prices, addressing medical malpractice reform or drug importation from Canada.

As Drew pointed out, health care is an economic security issue. And it’s interesting that we found that more voters are concerned about losing health benefits and paying for their health care expenses than are concerned about having enough money to retire or losing their job or having pay reduced or a whole set of other things including taxes and their ability to buy a home. So it’s clearly a core economic security issue.

And the voters talk about the fact that a presidential candidate’s position on the uninsured is going to be a very important voting determinant in 2008. Thirty-five-percent said it was extremely important, 44—percent said somewhat important, but overall you got three-quarters of the people saying that the position on the uninsured is going to be important to their vote. Now, whether that occurs or not remains to be seen. Because when you get further down, voters actually say that cost is the aspect of the health

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care system that needs the most change. It’s more important to them that coverage for the uninsured – sorry, coverage for the uninsured or access to availability of care or quality of care. So people are very focused on costs. I’m sorry, my packet up here is a little different than the one you have in your packets there. Okay.

Has public opinion about health care reached crisis proportion or not? I don’t think by any means. I mean, people generally say that there are some good things about the system but major changes are needed. Only about 19—percent say it has so much wrong with it that we need to completely rebuild. If you look at a Gallup trend here relatively few again say that the health care system in the U.S. is at a state of crisis. The vast majority, if you look at it over time, the red line at the top indicate that there are major problems but only about 16—percent say that the system is at a state of crisis. And part of it, I think, is because of the way people feel about their own coverage. We use feeling thermometers scales that ask them to rate various programs and policies on a zero-to-100 scale. And you can see that people give their own health care coverage a much higher rating than they do the Medicare program or universal health care coverage and our current health system is way at the bottom at 41—percent, but a substantial difference between the rating of their own coverage and the system as a whole.

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Even so, the public seems to think that the federal government has a responsibility to make sure that all Americans have health care coverage. This has been a consistent trend as indicated in this Gallup survey going back to January of 2000. The majority think that the federal government has responsibility. It just doesn’t talk about how that should occur.

And one of the things that we know going back to 1993 and certainly true today that Americans remain skeptical about a government run health system. The Gallup data indicate that most people would prefer to maintain a current system that’s based mostly on private health insurance rather than replacing the current system. You can see that those numbers have narrowed somewhat over time.

Our data indicate that most Americans say that the issue of health care will be very important again in making their 2008 voting decision. This is from the Pew Research Center, and 71—percent say that the issue will be very important. This is a little misleading because Iraq is around 74—percent, very important, and terrorism is around 70—percent and the economy is around 73—percent. So, there are a number of issues that are very important. It remains to be seen how it’s going to play out.

Clearly, though, we are poised to have health care to be a top voting issue in 2008, after the war in Iraq, the

economy, health care is around 10- to 12—percent, depending on which factors you fold into that number.

Now again, it remains to be seen how important health care is going to be as a voting determinant barring prices in the system a lot of this is going to depend on the eventual nominees and their discussion. This is clearly more central to the Democrats candidates’ message right now than it is to the Republicans at this point. Even so, I think it’s significant that all of the candidates are talking about health care in one way or another. If you look at their Web sites, if you look at the position papers that are out, most candidates are short on specifics but the issue is under discussion. The Democrats are more focused on universal coverage through a variety of means including tax credits and the expansion of Medicare, Medicaid, SCHIP, and the Federal Employee’s Health Benefits Program. They are talking about employing individual mandate, a strong federal role, the creation of a new public insurance program and emphasis on preventive care programs.

As *The Post* article this morning points though that it’s much more incremental in terms of focus than some of the sweeping changes talked about in the past. Republicans are looking at using the tax code to make coverage more available, lower taxes, standard deduction for those who purchase insurance. They prefer a free market solutions, more

choices for individuals within a private insurance market, more personal responsibility through the expanse of health savings accounts, consumer-directed plans, a shift away from employer-based coverage and the ability to purchase insurance across state lines, and medical malpractice reform.

It remains to be seen how well these ideas are going to sell. I think the Republicans have a little bit more time than the Democrats do to flesh out their plans because it’s less important at this time to Republican primary voters than some other issues like taxes and immigration and so forth.

Even if a single party controls the White House and Congress at the end of the election, there is no guarantee that health reform will move forward or be successful. We have seen this before and many of the roadblocks that were there in 1993 still exists on certainly about universal coverage, public aversion to a government run system, aversion to a large bureaucracy, perceive problems relating to access to care, the perception of the quality of coverage might decline for a lot of Americans and of course the question of how to pay.

So far, the candidates seem to have avoided the government-run problem but there are plenty of other obstacles to reform. John Overlander at the University of North Carolina did a nice job of laying out some of these obstacles in a health affairs articles a couple of years ago.

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The first one of these is political feasibility and Drew already alluded to this, of course. Designing a plan that ensures access, quality and cost control is not the same as creating a plan with a political strategy that is going to survive the legislative process. There are lots of stumbling blocks out there. There is the Congress, the president, stakeholders and, of course, public opinion. There are perennial constraints to any kind of reform or really any kind of legislation. The structure of our legislative system makes it tough for any piece of legislation and health care obviously is more controversial, ideological device and threatening the powerful interests that other types of legislation might be.

Another stumbling block is that the divided government is calm and it’s often preferred and, of course, even if the same party controls both the White House and the Congress, congressional support for presidential initiatives is by no means assured.

Then we have the members themselves who act independently. They put up their own competing bills and make it difficult to reach any kind of census on a piece of legislation. The internal organization of Congress, of course, makes it tough. We have a bias towards status quo because a bill has to survive committees, subcommittees, overlapping jurisdictions, votes in the House, Senate

conference, and then there is, of course, the president.

So reformers have to clear every hurdle and then that gets us to interest groups. You know there is a fundamental reform poses a threat to groups who are interested in protecting their own interests or the status quo and this includes obviously doctors, hospitals, insurers, pharmaceutical companies but many others as well. These groups are well funded and quite adapt at operating within the system to block legislation that might oppose their interests.

Then there is the public, you know, as I said before, most Americans are insured and generally satisfied with their own medical care so they are going to oppose any reform that threatens to weaken their arrangements. The public is also ambivalent about government power, suspicious of bureaucracy supportive of the concepts of individual responsibility and free markets. This bias plays into an incrementalist approach. It makes for reflective media campaigns as we have seen many times in the past. And also, I think, supports some of the Republican approaches that have been talked about.

Then you know any specific proposal is going to be a target for its opponents with questions about cost control, access, quality. If you start to add in things like health information technology, there is a whole set of concerns that the public has about a security and privacy despite the

medical advantages that we are all aware of. There is bureaucratic control, taxation - all of these are going to come to bear.

The wild card in all of this will be the current political environment. How much will the political alignments that have been arranged affect all of this? Socioeconomic conditions, the public mood, not only the 2008 campaign in terms of how it’s waged but the results. And all of these factors are subject to change.

You know, it’s interesting to look at the current environment as compared to ’91 or so. We have war. We have increasing uninsured. We have federal deficients. We have economic uncertainty. A lot of similarities, there are clearly some differences. We got the coming wave of the baby boomer retirements, may exert more pro-reform pressure than the past as they look down the road at Medicare. On the other hand, we have a protracted war which would act as a roadblock against reform movement.

There are a lot of pro reform factors however. We have the presidential campaign which, as Drew said, can easily raise the profile of reform. People are going to talk about it in real and productive ways. We have a lot of public concern about the possibility of losing benefits and paying for their families’ health care. We have spiraling costs and public dissatisfaction with rising costs. A growing problem

of the uninsured and public attention to the problem, it’s very important to people.

The formation of pro-reform alliances with powerful members like Divided We Fail could elevate public debate and there are others of course. Providers are an interesting thing, group to look at because you know they are clearly unhappy about a lot of things. They feel that their ability to practice medicine is constraint. They are concern about reimbursement rates and cuts. They are concerned about their malpractice insurance. So there will, they are also a pro-reform fact in monitoring it. The states, the legislatures looking at their budget worries are going to be a factor in reform obviously, boomer retirements in the future of Medicare, finally the public agenda, and the important of health as a domestic issue.

So, the environment is clearly poised for a serious discussion about health care. it’s too soon to see how it’s going to play out in the campaign and certainly too soon to see if the various forces that are needed to align will do so so that major reforms can be enacted.

Thanks, thank you very much.

ED HOWARD, J.D.: That’s terrific, Gary. Thanks very much. Finally, we turn to Mark Mellman. Mark is the CEO of The Mellman Group which is a firm with political, corporate, and issue group clients that *The Boston Globe* calls the

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hottest political consulting in Washington.

Mark has guided dozens of campaigns for federal and statewide office. He has developed strategy for the Congressional committees of the Democrats. He consults on politics with among others CBS News and the Alliance for Health Reform audiences. So, thanks for doing that.

MARK MELLMAN: Thanks very much, Ed.

ED HOWARD, J.D.: And please go ahead.

MARK MELLMAN: Thank you. Pleasure to be here with you. By now on a panel like this everything has been said though not everyone has said it. [Laughter] And hence my presence on the panel. But instead of trying to replow the well-trod ground of important points made by my colleagues, I’m going to go for the capillaries here and just provide a bit of context and history in effort to shine a little bit of light on some of the minor and less important details around this issue.

In 1991, the late Ron Brown, who was then chairman of the Democratic National Committee, actually hired us to do some strategic planning looking forward to the 1992 presidential elections while the primary candidates themselves were busy carving each other up. Part of our assign was to look at, look for new issues. We sat down in focus groups and I will tell you voters didn’t actually gravitate toward health care but when we used some

alternative questioning techniques that lea some people to start talking about health care, the flood gates opened up. People couldn’t stop talking about health care costs, about dealing with their insurance company, about dealing with their doctor, about what we come today to recognize as the health care issue.

Our polling confirmed way back then in 1991 that health care costs were the single greatest concern of the largest number of Americans. Now, having heard about our research and doing a difficult campaign for Harris Wadford which Drew mentioned, James Caravelle and Popa Guvia [misspelled?] came to my office and said, gee, what do you got? I heard you have some new issues. Mention the data on health care, they transformed these poll findings into a winning slogan, “If a criminal has a right to a lawyer, you should have a right to a doctor” and the rest is history. The third line on the famous war room, famous sign above the Clinton war room door read, “Don’t forget health care.”

After a bit more polling on the issue back in the ‘90s, I predicted that health care would be the dominant issue of the decade. I’m here to tell you I was right, I’m not here to tell you that but as long as I am here, I am going to tell you I’m right. [Laughter] And indeed if I add the work domestic before issue, the most important domestic issue, I think it would be correct for this decade as well.

But in each of these time periods, frankly, we have seen a rather different face of this enormously complex issue.

In ’93 and ’94, we had the Clinton health care plan. In ’94 and ’95 we were focused on Republicans’ attempt to cut $270 billion from Medicare. Then we were focused on managed care and patients bill of rights issues. Then on prescription drug coverage, et cetera, et cetera, through all this period the underlying concerns of the public have remained relatively consistent. You have seen them, this is a poll actually among seniors that we just did, only among seniors but you will see among seniors Medicare cuts, cost of health care, right up there. The concern about coverage, the extent of coverage a little bit lower as all the other polls have indicated. But for seniors, Medicare health care costs generally, prescription drugs specifically, coverage for the uninsured, and in the minds of many the issue of coverage for the uninsured is really a cost issue. And cost is certainly the most important issue for most Americans.

So, that’s remained that basic outline of public opinion, that deep concern about those issues has really been constant now for 15, 16 years. Ups and downs but relatively constant in terms of the personal concerns that people have vented.

But the plans to reform the system have tended to flounder on the shoals of at least four problems. First and

foremost, while people don’t like the system, for the most part they do like their coverage. Again, this is senior citizen data. These seniors are much happier with the system as a whole than most Americans, 55-percent actually are satisfied with the health care coverage, as it exists in the United States. If you did this among the population as a whole, the number would be more like 20- or 30—percent who are satisfied but 84—percent of these seniors are satisfied with their own personal health care arrangements. And if you did this among the population as a whole you would find a very similar number, about 80—percent who would say that they too are satisfied with their own personal health care arrangements.

I’m not a public policy expert here, but because changing the system necessarily seems to involve changing individuals’ health care arrangements, systematic change is difficult. The losses from change tend to loom larger in the public mind than the promise gains. Losses loom larger than gains. A guy named Dan Common won the Nobel Prize in economics for figuring that out, not even an economist. He is a psychologist, so tells you how important the notion is, probably the single most important notion understanding public opinion about public policy.

Second, while cost is the dominant concern, it’s very difficult to develop a simple, succinct plan that people

believe will actually reduce costs. John Kelly purported a plan in his campaign that experts said would save people about $1,000 dollars per person but, try as we might, all the king’s men and women could never find a way to explain catastrophic reinsurance or any other element of that plan in a compelling way.

Price controls on insurance companies that may be bad public policy, it’s easily understood. It’s easy for people to understand the way in which that would actually hold down their costs, but it is not necessarily a good public policy from most points of view so we are not actually going to do it. I’m not recommending it, but it’s very difficult to explain how any individual plan, explain it in a compelling way, how any individual plan is going to actually hold down the costs. How it’s going to deal with the central concern of most Americans about the health care system.

This difficulty in articulating a comprehensible, compelling way to control costs is, frankly, part of what has pushed Candy’s [ph?] talk about universal coverage. You can explain how you are going to reduce costs. You can say we are going to get universal coverage and that sounds like a public policy. And you can put the details in the curtain and ask people to pay no attention to the man behind the curtain and that’s essentially what people do. Lots of details about the programs, nobody except geniuses like Drew and others pay

much attention to the specifics but it’s a plan to achieve universal coverage. Then we have a debate about whether recovering 98—percent or 99—percent or a 100—percent and that’s really the meat of the debate somehow.

So very difficult for people to explain, develop a plan that is compelling can be explained as to how we are going to deal with the central issue of cost.

Third, debates about what the middle class is going to get in the form of lower costs and/or increased protection easily devolve into debates about what the middle class is going to pay to provide coverage to the uninsured. It’s this transition that helped derail the Clinton health care plan in the ‘90s. We will see it as part of the debate this year as well. As people put out plans to deal with the uninsured or in talking about taxes, some candidates already are talking about taxes to finance those plans. You can bet that at some stage in the campaign, those taxes are going to be part of the debate, part of the discussion, and will be an effort to transform the debate from what people, from what the middle class is going to get, lower costs, more protections from precarious actors in the system, and transform that debate into a debate about what the middle class is going to have to pay to provide this coverage to the uninsured.

The final blockage, and this has been mentioned, has to do with antipathy to government. Americans just like

private insurance companies. They dislike the health care system those private interests are now seen as running. And in their minds, the only thing worse than what we have got would be a government run health care system combining the efficiency of the post office with the compassion of the IRS. [Laughter] Now, that’s an old Republican sob. The truth is it is less compelling today than it was. Gary showed you the data. People are more interested these days in government solutions, less emphatically to them than they were in the past but still we have most Americans who simply don’t trust a government-run system. And that fact, that central fact, puts a strict limit on how far electable politicians are going to go in terms of developing and devising plans that deal with the health care problems.

So we can get to your questions, and I don’t have to repeat more of what other people have already said, let me just close with a predication. A very difficult area in which to predict, but I will stand by this prediction until November 2008: Whichever candidate develops a plan that will cut costs, provide universal coverage, guarantee each patient the finest medical technology available, without having to change their doctor, that candidate will win the presidency [laughter] in 2008.

ED HOWARD, J.D.: And remember, you heard it here first. [Laughter] Okay, well, that’s, I think we have set the

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stage for an incredible useful discussion. And I urge you to make use of the microphones, use those green cards, and let me take the chair’s prerogative and ask the first question. And going to Gary and Mark, Drew had observed that there was a really big difference between people’s personal concerns as Mark mentioned and political salines of this issue. And I wonder whether you have any observations about how you bridge that gap or how you, whether you agree with that division or is it changing. Thank you.

GARY FERGUSON: Well, I will take a stab at it first. I think it is changing in that we are seeing the numbers of concern about health care and its rank as our voting issue higher than we would have seen earlier on. And you know this of course is after, as Mark points out, 15 years of discussion.

Whether you can bridge that gap in war time, I’m not really sure. I mean you know that’s the dominant issue and it’s going to remain so for the foreseeable future.

MARK MELLMAN: Yeah, in my continuing effort to dive into the capillaries here, I think part of this honestly, not all of it but part of it is a question wording issue. Now, the question wording issue reflects some underlying fact but understand there the difference affectionately. When you are asking people about what they are concerned about personally, obviously you are asking about their personal lives, their

personal concerns. When you ask about the most important problem facing the nation or what Congress and the president should deal with, you are necessarily automatically tapping in people’s minds issues that have already been deeply pollicized, deeply pollicized.

And while health care has been become increasingly pollicized over the last 15 years, for most people - certainly this was true in 1991, it’s still true to an point and extent today - for most people, it’s their personal problem. How do I deal with my insurance company? That’s my problem, not the government’s problem. How do I afford my health care? That’s my problem, not the government’s problem. And yet if you ask me, I will tell you it’s the government’s responsibility to help me, et cetera, et cetera, but my first thought about this is it’s a personal problem. It may not even be a problem that other people share and it maybe a problem that other people share but is my problem it’s not the government’s problem.

The war? That’s the government’s problem. Taxes, that’s about what the government does. Health care, that’s more about me. So, and less about the government. So part of this difference in what we get when we ask these two different kinds of questions is just sort of people’s response to the different kind of question wording. That’s not to say that issues of personal concern can’t become

politically salient.

The reality is if you ask people most important pro force in the government, taxes is pretty low on that list too, yet nobody would suggest to you that taxes is not an important political issue, or relatively few people would suggest that. Most people would, most of those people are people who have lost elections, [laughter] but the reality is it’s a pretty important issue. So part of it is just question wording, part of it reflects the politicization of the issue and part of it reflects as Drew rightly suggested the extent to which elites are talking about the issue. Everybody is talking about Iraq. Elites are talking about Iraq. The press is talking about Iraq. Politicians are talking about Iraq. And people naturally therefore assume that it is one of the most important issues. And when they are talking about education, when they are talking about crime, when they are talking about health care, those issues tend to rise up in people’s conscience too. So part of this is just, part of this is leadership, part of it is what the candidates and office holders choose to talk about.

DREW ALTMAN, Ph.D.: I think it’s fundamentally important what the candidates do and especially what the Republican candidates do, because if you fast forward beyond the primaries, we do not have a big debate about health care unless both sides have that debate. And so it remains to be

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seen whether we have a big debate about health care in the real election, when we get to the real election. I think the Republican candidate will be there because they are going to need to rue independent voters in that, in the election. And it’s a reasonably high priority for independent voters, but my bottom line would be that unless we see health emerge as a fairly significant factor, not in questions about priority for the president and Congress or government but in the exit poll in the 2008 election, we are not going to have the momentum we need that registers with politicians moving into 2009.

ED HOWARD, J.D.: Mark, towards it, yep.

MARK MELLMAN: Two words. First, there are two kinds of debates about health care. For example, in the 2000 election we had a debate about health care. It wasn’t very conducive to reform. The single most run advertising by the Bush campaign was an attack on Al Gore’s prescription drug plan. We surely had a debate about health care. It just wasn’t very conducive to reform in the end.

Second, one of the other problems with the exit poll questions is they just use the word health care. When we find the most salience around health care is when we talk about the cost of health care or coverage for the uninsured. When you just use the word health care by itself, again, it leads people down a slightly different path. So I agree with you in

terms of the importance of the exit polls. It’s going to be hard to get.

ED HOWARD, J.D.: Gary, Drew was talking about the question of getting past the primaries and what might happen on the Republican side in that, in the debate between the Democrats and the Republicans on this issue. I wonder if you want to try to shed some light on what you think might happen there or what should happen.

GARY FERGUSON: Sure. I mean, again, the Republican candidates are already talking about health care but they’re taking their time, I think, in terms of fleshing out specifics and they can take their time. We talked about the fact that Republican voters are less concerned about health care as an issue than they are about certain other things, so it’s less pressing during the primary process for Republicans to talk about the specific details of a plan. So they will probably wait and do that. I mean I see this whole thing as being, as evolving over time. Just like the issue agenda is going to evolve, I think the discussion about health is going to evolve and that’s going to be driven by the eventual candidates.

But what we are seeing right now is two pretty distinct approaches, I think, toward the process, toward health reform on one side looking at market forces and individual responsibility and the other side talking about

expansion of existing programs and so forth. So I think that it’s going to be interesting to see as both a pride to our philosophical debate as time goes on.

ED HOWARD, J.D.: Okay, I neglected to point out to you that there are blue evaluation forms in your kits. And if we go through the question period, I would appreciate if you would pull that out and make sure that you fill it out before you leave.

We have a large backlog of green cards here. So, if you really, really want your question to be asked, you should do what the lady in the blue dress has just done. Gone to a microphone where you would, I would hope, identify yourself and address your question.

JOANN CANNON [misspelled?]: Hi, I’m Joann Cannon. I’m currently one of the Kaiser Family Foundation media fellows on health care and before that I covered health care on the Hill for 10 years. And I guess there are three things that I see that are different about the political environment now than was in ’92-’93. And the questions you are asking, I’m not sure, so I would like your thoughts on whether, because they are not showing up in the way you are forming the questions which is very similar to what we saw ten or 12 years ago. One is we have had 15 years’ experience with seeing that Congress doesn’t do a very good job of fixing health care and does that affect how voters view candidates’

promises on health care? Two is in ’92-’93, people kept saying, well, we have the best health care in the world and don’t mess with it. And now there is a growing awareness, both I think in the public and clinicians and policy makers, that we have got some really big quality challenges and holes in our quality. And the third thing is there is a huge amount going on in the states. And it’s interesting states with red governor of blue states. So what are your thoughts on, are we going to replay, I see it as a different environment and I want to know whether you see it as, how you see the environment as changing.

[Laughter]

MARK MELLMAN: Well, I will be contacting you for some questionnaire design assistance as time goes on. No, I think that part of the situation is that it’s really very early. I mean a lot of what you are seeing here today is pulling together public domain data, things that have been released or that can be released. And you know we are very early in the process so we don’t have specific platforms to test and so forth.

I think that the kind, I think that you are right that the environment has evolved and that the kind of research that is conducted is also going to reflect that as time goes on.

ED HOWARD, J.D.: Anyone else?

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DREW ALTMAN, Ph.D.: Well, I think the underlying level of public concern is about the same now as it was in early ’90s. What’s missing and we are seeing coming back is the leadership from the top but not in the same way, not being driven by a president as it was in the early ‘90s. So you got to see you know how that goes.

One thing I do worry about, I do think about in response to that question, is business. Business plays a fundamental role in this. But historically, business has complained a lot about rising costs but being a paper tiger in the end when it comes to engaging in discussion and debate about national legislation. It has never exercised its muscle. Business is sounding more for real now than it has in the past, but we will have to see.

So when you ask what’s different, I think one thing to watch, I’m not sure it’s different, I’m saying it’s something to watch is business more for real now when it comes to national legislation in 2009 than it has been in the past.

ED HOWARD, J.D.: Someone wants to whether “Sicko” is going to affect debate and if so, how. Those of you who have seen it, I have to tell you I saw “Sicko” in San Cruse California and for those of you who have been there, it’s one of the few places in America where most of the audience can actually come out grumbling because they thought the film was

too moderate in Dallas. [Laughter] Any defenders or in fact [interposing]

MARK MELLMAN: The same, I have said. My short answer, I don’t think it’s going to have a profound effect. A small effect like lots of other things, but most people don’t have to go to a movie to understand they got a problem with health care system. They just have to live their lives every day.

ED HOWARD, J.D.: Let me just ask how many people here have seen the movie?

GARY FERGUSON: How many people have seen the pirated copy of the movie? [Laughter]

ED HOWARD, J.D.: Oh, come on. You are only on Kaiser Network. [Laughter] Okay, [interposing]

DREW ALTMAN, Ph.D.: I think it was getting people talking and it’s part of this ground swell that’s getting people talking more about health reform. I mean I think the movie is filled with fudge ins of all kinds and inaccuracies of all kinds but I actually think it does a very good job and it points a brilliant job of, from a point of view, framing fundamental underlying issues. Are we all in this together or should people be on their own in the private marketplace? Should health care be a for-profit business or should it essentially be free and a not-profit enterprise?

Obviously, Michael Moore has a point of view. But the movie does a pretty good job of framing what are the

fundamental underlying issues that really are behind the plans and the policy debates.

And just to go on for a second, because the lights aren’t on right now, you know one of things that I do worry about when we get to whatever debate we have is that, and this is a challenge for the media, is that we will get lost in the trees and miss the forest. We will be talking about this one has this IT proposal, and as Mark said is it almost universal coverage or 98—percent or 99—percent which is a pretty meaningless discussion. Instead of framing for the American people what I suspect will emerge as a fundamental fork-in-the-road debate between the Democratic candidate and the Republican candidate about the future of health care, between one side which is talking everyone together and building on, and I’m not making a judgment about which is better, and building on the employment base system and public programs. And the other side, which is talking about individuals purchasing private insurance themselves in the private marketplace. You could not, you see this in the SCHIP discussion now, you could not have a more fundamental choice. And I worry that with the obsession with plans and the focus on plans, we will get lost in the trees and not pay for the American people what actually would be a very fundamental choice about the future.

ED HOWARD, J.D.: And that actually answers or

addresses on of the questions that one of you has brought forward, which is, what is the media’s responsibility in this debate and what you think the most important thing for journalists to do with respect to the health care issue might be? And I wonder if Mary or Gary has any opinion about that beyond the fundamental difference that Drew was focusing on. Do you think that is a fundamental difference?

MARK MELLMAN: Well, I tend to be not in the business of lecturing journalists about their responsibilities. I get more lectures from them about my responsibilities [laughter] but it seems to me that a couple of things are true. First, it is important that the real debate be eliminated and I think you know Drew outlined very nicely what the real issues are at stake. You can almost never find those issues being discussed or being framed in the media in that way. And that’s a mistake. The media does tend to go for the details, the real capillaries of these plans.

Second, and it’s understandable, but the media tends to focus on what the candidates say about themselves and about each other. And that’s again perfectly natural and perfectly understandable, but what they tend to say about each other and what they say about themselves often does very little to illuminate the underlying issues for the public. And so, in my view, there ought to be some approach from a slightly different angle that’s not nearly sort of a campaign

dialogue about these issues and something a little bit broader and deeper but at the end of the day, the truth is journalists report what they regard as news and what those candidates do and what they say is by definition the news of the day and of the hour.

GARY FERFUSON: Right, but I mean a lot of news organizations have the ability to, you know, go beyond the, into a more detailed and broad-based story. So I think that’s an extremely important. They are not going to be fact based of course but to provide contact stand and comparison so that people can become better informed. I, with Mark, will withhold from any further advice for the media. [Laughter]

ANN MEYER [misspelled?]: Hi, I’m Ann Meyer from Georgetown University and I’m one of a collaborative, we call ourselves Our Health Care Future. And it’s a dial-up for the general public that does explore those foundational issues, so I would very appreciate it, Drew, your identification of the two foundational approaches. And I long for more substantive conversation certainly from the media but also from our political leaders and our consultants about the empirical evidence we have for one approach or the other, both approaches achieving a just sustainable, you know, rational health care system. Because my own bias is that if we really examine, if we look out the window to see how effective the market is in achieving such, we will find a

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great many shortcomings, which doesn’t mean to say there is a simple path to a national health plan but I long for those more substantive discussions versus the real, the politique or the feasibility approach and therefore you know going in that direction. I also think it’s a longer-range plan and I’m anxious to achieve some incremental success towards a just system but I’m not convinced that the next election, whatever it is, is going to you know bring Nirvana. And I think there is some compromises we simply ought not to make around health care and immigration, because they are differential to human dignity, human furnishing.

ED HOWARD, J.D.: Nirvana, anybody? [Laughter]

DREW ALTMAN, Ph.D.: Well, I mean – Right, that was a statement and not a question, but certainly at Kaiser we have a special restoring commitment to this, I would certainly long for a more elevated debate than we have had in the past. Already, we have had some Democratic proposals labeled as socialized medicine or words to that effect and by that standard, the Republican ones would then be called Mackenzie and capitalism and you know we can do better than that. And I fear that we won’t once again this time around.

ED HOWARD, J.D.: Actually, that leads to a question that got sent up earlier about the SCHIP debate that Drew has referred to a couple of times. What is the SCHIP debate say about the ability to reach a deal on health reform in 2009?

And I happen to have somebody point out to me a recent column by Robert Kovack which talked about the SCHIP debate and contrasted the Democrats’ description of the program as coverage for those lovable, vulnerable kids but characterizing it reality as the wedge to achieve the long time goal of government supplied universal health insurance and the suffocation of the private system.

So if that’s the state of the SCHIP debate, can we really expect the kind of elevated discourse that both our questioner and our panelists long for? Gentlemen?

MARK MELLMAN: It’s going to be tough. I mean, it always is. You know we have — our approach to campaigns and to political discourse often leads with fists rather than ideas. And I think that’s, that puts us in a difficult position in terms of actually moving forward with reforms that are important to all of us. We are going to have to have rational discussion in order for this to happen.

GARY FERGUSON: It’s obviously a bad sign that Washington can’t agree on a way to cover kids. I mean, that isn’t good. But if you think ahead to 2009, I think, to me, what it suggests and you think about what the shape of the deal might be, is that whatever the outcome of the election, whoever wins, whether it’s a divided government or not, big margins or smaller margins, it’s kind of unimaginable to me that the underlying fundamental and profound in this town,

very different from the states’ policy and ideologic divisions will be transformed in a way that a plan, that a deal could be made on a plan that would either fully satisfy the right or the left on Capitol Hill.

So what it says to me is if there is a way out of this, if there is a bargain to be made in 2009, it’s going to be some kind of a centaur’s bargain that might not leave some of you in this room on either side very happy but if a bargain is to be made, it will be a centaur’s bargain. It echoes not in details but in spirit some of the state plans where they are less ideological. It could be Massachusetts. It could be California. It could be something like that but echoes the approach taken in these states. Because you can see how fundamental the ideological and policy differences are that remain in the Congress and in this town on these issues. And it’s just a fundamental Grand Canyon wide gulf on how to address these issues.

ED HOWARD, J.D.: Mark?

MARK MELLMAN: Thank you. Fortunately for the republic, I do politics, not public policy. So I don’t pretend any expertise on the public policy issues but I’ll make two points. First, I was shocked about this SCHIP debate in the following respect. I had assumed, I had believed that this was a debate about how we pay for a program. Can we pay for it? How do we pay for it? Do we pay for it by tobacco tax

that we overwhelmingly supported? Do we pay it by cutting Medicare Advantage? Opposed overwhelmingly. How do we pay for this?

It turns out that it’s not just a debate and perhaps within the Democratic Party there is some debate about how we pay for it, but I was shocked to learn that between the Democrats and Republicans, it’s not just a debate about how we pay for it. It is a fundamental debate about whether we should do it. I was shocked because, of course, the Administration in the past outed this program as one of their important accomplishments or something they like to talk about in terms of what they have done in health care. Yet when you sort of dig underneath, you hear and you see extraordinary ideological reticences to doing, to covering kids in this way. And I, frankly, I was not only appalled but frankly amazed that ideological resistance was still there, still so deep and still so strong on an issue like this.

ED HOWARD, J.D.: Okay. Several people have asked in different ways what our panelists think about the significance of state reform for a national reform in 2009. You just touched on it, Drew. We have got plans going in California. We have got implementation of a plan in Massachusetts. Various stages in some other states and one question that refers to the difficult in Pennsylvania reported in today’s *New York Times* beyond the budget crisis.

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I’m not sure what that refers to. I did not see that article. But I wonder either from a political standpoint or a policy precedent standpoint what you think about the ability of some states anyway to craft one of those centaur’s plans that has some legs in some places and less in others for the debate that we are going to have next year in the presidential race.

MARK MELLMAN: Well, I will just say, start off by saying this. We who live and work in Washington tend to think of ourselves as the center of the universe and as the font of wisdom. The reality is historically, as I think most people in this room know, most of these policy innovations in most arenas historically have come from the states and then been adopted at the federal level or not as the case may be. But I think that the fact that we have states experimenting with different approaches just makes it much more likely at the end of the day that we are going to have something at the federal level that gets done.

It is very difficult, I think, for a political system that is bias, totally bias, towards inaction to jump from the known to something that is new, different, and completely unknown. When you have some state, major state, California, Massachusetts, whatever that is taking certain, Michigan, is taking certain kind of steps, people can understand what the implications are. They get to live with it. It becomes normalized. It doesn’t look like socialized medicine. It

doesn’t look like that you are destroying your relationship with your doctor. It doesn’t look like lots of other evils that people assume when you actually have a chance to live it and live with it.

So I think that the state reforms frankly make it much more likely that we are going to get something at the federal level than earlier when we really didn’t have state [interposing].

DREW ALTMAN, Ph.D.: Two quick points. The difficulties in Pennsylvania are a reminder of just a fundamental fact, as an ex-state cabinet officer, they show you why we can’t reform the health care system state by state because too many states just don’t have the resources or they don’t have the political well and can’t put the political coalitions together. But they also show you why some states can be a model for, an inspiration for national reform. Massachusetts and California for different reasons are especially vital in that regard.

So, it’s really quite critical that Massachusetts not fail in its implementation. It’s really quite critical that something comes out of the California legislature this summer and we should all be watching what happens there.

GARY FERGUSON: I think also that you know the Mark is right, it’s obviously going to raise the profile of the issue but it also provides some test cases and some of the

empirical evidence that one of our questioners was looking for in terms of how things actually worked in the real world if you, assuming that there are some compatibly between the state plans and anything that is going on at the federal level.

ED HOWARD, J.D.: And it’s probably worth noting that even the SCHIP program had some state program precursors in places like Pennsylvania and Florida and New York. And I know I’m missing a couple of others that showed precisely what Gary was talking about. And it showed how it worked in the real world and how politicians got re-elected after they voted for it and other important aspects of the program.

DREW ALTMAN, Ph.D.: And also none of these state reform plans work without a reauthorization of SCHIP. It’s not just SCHIP but half the new money in California, about $12 million dollars and in Massachusetts, it’s slightly less than $2 billion dollars is federal money now dedicated to SCHIP and some other money. So the federal low is just fundamental to these, we call them state reforms but the federal partnership in them is absolutely, they fall apart without the federal role.

ED HOWARD, J.D.: That’s a very good point. Yes?

ELLEN ROSAGIN [misspelled?]: Hi, Ellen Rosagin with Families USA. I was wondering if there is polling data that discusses how voters respond to typically Republicans

solutions, such as consumer-driven health and personal responsibility for health and transparency of cost and quality versus typically Democratic solutions such as risk sharing, greater risk sharing and building on public programs and requiring all the stakeholders to participate?

DREW ALTMAN, Ph.D.: I think it’s you know it’s a little early to have to me. I haven’t seen a lot of tests between specific plans. When you look at, we do have data and I think I had a slide up earlier that talked a little bit about the fact that people do tend to favor approaches that lend themselves more toward personal responsibility. At the same time you can see data where, you know at least in the abstract, people are very supportive of universal coverage, universal coverage for children and expansion of federal programs. So, until you get into specific proposals to test with dollar figures and the real impact on taxation and so forth and so on, it’s just a little early.

ED HOWARD, J.D.: Okay, actually, that triggers a reference to this question, if you will, Gary. It has to do with the language that’s used to describe some of these initiatives. And it quotes Frank Lentz [misspelled?] pointing out that one of the reasons for the failure of managed care was the fact that it was called managed care. Language matters and we have seen people say bad things about national health insurance so the advocates started talking about

universal coverage. Now we are talking, we see people talking about universal coverage with a sneer on their face. Are there some buzzwords that would be good for Democrats or Republicans to use in describing either their own or their opponent’s approaches?

GARY FERGUSON: Well, you know we can’t give that away, Ed. [Laughter] But the point is valid that language is critical. You know, I was laughing or actually chuckling a little bit when Mark talked about ’94-’95 and the emphasis of Republicans on cutting Medicare because at the time, there was a big debate about what language should be used because the Democrats had a simple message. Republicans tried to cut Medicare. The Republicans are talking about preserving, protecting Medicare, and ensuring it for our future generations. It’s, language is critical in how we talk about these issues. There is no doubt about it in terms of whether it’s in a political campaign or passage of a piece of legislation.

DREW ALTMAN, Ph.D.: It also underscores why you don’t really know how these ideas are going to work out from antiseptic polling before the shooting war breaks out and so personal responsibility is very popular until somebody says what it really means is you are going to be an individual risk and lots of luck in the individual insurance market. You know, in a presidential debate. So you don’t really know

until the debate breaks out how these concepts play out one way or the other.

ED HOWARD, J.D.: There is a question and I have put it somewhere where I can’t recall, reach it [interposing] in a safe place, that’s right. In an undisclosed location. [Laughter] but it had to do with, also with language, I guess. And I have lost even from my head. [Interposing] Yes. And so I’m going to go on. [Laughter]

The ’91 Pennsylvania Senate election and its triggering of the national debate has been mentioned several times. The questioner asks is there anything you can foresee in today’s atmosphere that might give health care the boost that it once got from that Senate race? Joann Cannon tried to draw some of those factors out. Any predications?

MARK MELLMAN: Well, I think Drew made one very important point about this which is to the extent that people look at these exit polls and it’s says health care is important, that is going to be an impeditus. People always do look at those exit polls. They may look at them correctly or incorrectly, start with moral values after whatever that was 2004, but people always look at them. Whatever is there is going to generate some degree of discussion. But the most important thing is what you might call the locker room talk or the really crocus talk. It’s when somebody comes back and says you know what? I won my race because of health care or I

almost lost my race or I did lose my race because of health care. That’s when things really get moving in a dramatic fashion. And obviously, the interpretation of the presidential race is it played an important role. That’s obviously incredibly meaningful but when people are able to say this race matter, in this race health care made a significant electoral difference, that’s what gives it a boost and that’s what happened with Lawford.

DREW ALTMAN, Ph.D.: You can all laugh at this because it’s so obvious, but the other big development which would instantly elevate the health discussion is if something happened to stabilize and reduce the dominance of Iraq in the issue environment because it is Iraq which is crowding our health and all other issues.

ED HOWARD, J.D.: I have reclaimed my question. [Laughter] And the question is really whether the plain results feedback into poll results. Do people read about polls in *The Washington Post* and say yeah, I care about that? Or is it pretty much just horse race reporting or some other variation? Drew, do you invest a lot of [interposing]

DREW ALTMAN, Ph.D.: Go ahead.

GARY FERGUSON: Well, I was just going to say that, you know, back to the role of the media a little bit on this because very often, one gets reported as horse race results rather than going deep into an issue in terms of the research

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just being conducted. One of the problems you get into is that a lot of things are not Republican-released and, you know, Drew and Kaiser Family Foundation are providing a great service and providing a consistent source of public domain data. But a lot of the things that are being tested you know never see the light of day. So, you know, I would like to see a little bit more detailed reporting of the research in the media.

DREW ALTMAN, Ph.D.: I don’t think it’s poll results. I think it’s media coverage. I think it’s profoundly important to national agenda setting. And there is an old adage that media coverage can tell the public what to think about but not what to think. And so I think the media coverage of the building health reform debate which I believe will be especially driven by the degree to, which this is focused on in the presidential campaign, will just be a fundamental importance. It’s less about polls, more about media coverage which will be a little bit coverage of polls.

ED HOWARD, J.D.: The questioner wants, notes the Democratic activists’ preference for a single payer system and the economic troubles of companies like GM and important electoral states and wonders whether that might drive the debate in that direction.

DREW AULTMAN, Ph.D.: Sure. I don’t know. I wrote an article in, God, in 1981 called “Corporate Attitudes Towards

Health Care Costs” in which I decided to ignore benefit officers and interview CEOs only, lots of them. And concluded that while corporations were talking a good game about their interest in that, this is ’81, their interest in national health reform. The CEOs in the end were in a different place because they were personally, most of them very conservative, mostly Republicans, and most of them had a deep-seated aversion to a big government role in anything.

So at the end of the day, all the benefits officers were coming to all the meetings in Washington and talking about health reform. When they actually looked at nationally legislation, they said, oh, we’re not interested in that at all. And the question in my mind is that change. They are much more concerned about health care cost because they have been hammered now year after year. It’s not any one year. It’s the year after year after year. And because of the global competition many of them face.

It is a changed situation for many of our companies and also for small business. So this is a big open question for me. Have they changed their tune? I don’t think that leads them to single payer but the question is does it led them to now exercise actual muscle like they do on other core business issues when we get to a legislative debate in 2009. It’s a big, important, but open question.

ED HOWARD, J.D.: Yes.

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CHRIS WILLIAMS [misspelled?]: Chris Williams from the Agency for Health Care Research and Quality. Like Bob Linden always tells me, quality doesn’t resonate with the American people and I see that reflected in the polls that you have presented as well. My question really is around, do you think there is any greater awareness or interest in the relationship between cost and quality, either among the states that are working on reform or the federal level? Because as we have said to some of the state policy makers we work with, regardless of how you finance your health care system, if you are paying for the wrong things, you are not being very efficient in use of the health care dollar. So my question really is around the understanding of cost and quality and the interest in addressing that as part of overall reform.

DREW ALTMAN, Ph.D.: I wouldn’t say that, despite the graphs that I put up that Americans aren’t concerned about quality. I think it’s, that they are having to reach into their pocket to pay, you know with their premiums or but their out-of-pocket costs and depending on the kind of plan they have that could be a substantial amount of money. But I think there is a presumption that quality is there. And it, if there is a change in that, then it’s going to, you know, shoot to the top of the agenda.

GARY FERGUSON: The one point I would add is that I

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think the data that we see at least, people’s major concern about quality is that greed on the part of various actors that they identify is compromising quality. And that, that’s their, that is why cost is such an issue for people, part of the reason cost is such an issue is because on the one hand they can’t afford to eat, on the other hand their insurance company, their doctor, whoever is inserting themselves in the system to deny them the quality of care that they should get, need to get, want to get in order to save money for those actors. So that’s at least in my data, that’s the fundamental way which quality enters into the picture. People don’t believe the system is fundamentally broken from a quality point of view. They do believe that greed is compromising quality.

ED HOWARD, J.D.: This is a topic we kind of touched on in some ways but it’s framed fairly striking here in the, there is a lot of talk about how only a health care crisis could bring about health care reform. Is there any specific example of what such a crisis might entail? I guess from seeing profits would not be a crisis unless you happen to be a shareholder and they were disappearing. [Laughter] But is there some signal event that you might look for if you were running a campaign and try to swap right?

GARY FERGUSON: Well, I was never viewed, there are two, as I said before we have a system that is overwhelmingly

biased towards inaction. There tend to be two kinds of situations where that bias is overcome. One is when one party or the other has real dominance and control of the levers of government, congressional, White House, et cetera. The other is when there is crisis. But with crisis, understand what crisis is. The last time we had a fundamental reform of Social Security, you know a meaningful reform of Social Security, the Social Security crisis was that checks weren’t going to go out the next week. Not like 20 years from now when the baby boomers are going to be hitting the system and the curves weren’t going to work out. The next week, essentially the checks weren’t going to go out. That’s the kind of crisis you have to have to really motivate action here and I’m not sure how that kind of crisis happens in the health care system.

MARK MELLMAN: Not only do these problems bite harder when the economy is bad. Unfortunately, we have lower tax revenues to fully extend the coverage too when that happens. But historically that’s when more people have really gotten exercised about this issue. So if you look back and that’s not the situation we are in right now. And I’m not asking, praying for a [laughter] economy, but that’s when it really bites.

ED HOWARD, J.D.: Cheer up, things could be worse, right? [Laughter] Well, if they do get worse, we can cheer up

about this issue. We will give our panelists a chance at one last bite of the apple. We have actually made it through all of these questions and well, except for one. And I decided to spare our panelists the following question. Which candidate do you think currently has the best plan for health care reform? [Laughter] Now, if any of you would like to volunteer an answer to that question, I would be pleased to entertain it.

MARK MELLMAN: From a public opinion point of view, it’s not about plans. [Laughter]

ED HOWARD, J.D.: And that’s the last substitutive word you are going to hear about this this afternoon. I remind you that it will be available, this session will be available as a webcast on kaisernetwork.org in just three and a half hours. And I want to take this opportunity to thank you for making this one of the most quickly successful briefing the Alliance has ever had, The Kaiser Family Foundation both for its participation in the program and its support thereof, and all of our panelists for sharing their insights and intelligence about this issue with us today.

Thanks very much.

[Applause]

[END RECORDING]

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