Health Reform Do's and Don'ts: Veterans of the Early 90s' Health Reform Debate Offer Advice to Today's Reformers
Alliance for Health Reform and Robert Wood Johnson Foundation
December 12, 2007

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EDWARD HOWARD: Hi. Don't stop chewing on your sandwich. We're just going to get started so that you can have some food for thought as well.

My name's Ed Howard with The Alliance for Health Reform. I want to welcome you on behalf of our congressional leadership, Senator Rockefeller, and Senator Collins and our board of directors, to this briefing about the lessons to be learned from the health reform efforts from the early 90s. Thanks for coming. Thanks to the Robert Wood Johnson Foundation for their co-sponsorship of this event.

I just want to do one housekeeping chore and one commercial, if I can. The housekeeping is that we would very much appreciate you keeping this blue evaluation form handy and filling it out before you leave so that we can make the next briefing that we do even better, if you can imagine that possibility.

The commercial, we want to make sure that you know that we want to be an asset and a resource to you as you cover this next round of health reform. We have published a number of tool kits on specific issues. Bill Erwin, our communications director is prepared to sort through a number of expert sources and put you in touch with the people you need. We intend to do

a number of briefings on this topic. So, if we can be of any help, give a holler, and we'll do what we can.

Now, not only have we assembled top-notch panelists for our discussion, but we have a world-class moderator as well. Susan Dentzer, the health care, health policy, and social security correspondent for *The News Hour With Jim Lehrer*, and, just so you'll have some perspective and you know she knows what she's talking about, during the last health reform go-round, she was business correspondent and columnist for the *US News & World Report*. So she's been at this long enough that we won't be able to fool her, no matter how tough the questions.

So, Susan, thank you very much for doing this, and let's get started.

SUSAN DENTZER: Thank you very much, Ed, and good afternoon to all of you, and I see many people around the table who suffered through health reform or health reform-not, I guess, with me in the 90s. It's good to see all of you, and, of course, our cast are all denizens of health reform-not. So it's like a big old alumni reunion. Thanks for coming back, everybody. We'll have a beer when it's all over.

We're going to start today with a few moments of overview from David Colby, whom I'll introduce in a moment. Then I'll introduce the rest of the panelists, and we'll get into a, I'm sure, a lively discussion about what they remember,

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what the pitfalls were of health reform-not, and, most particularly, we're going to ask them to council us as journalists on how we might follow the whole enterprise that are the next time around.

My own personal memory of health reform is that it was like watching the Alfred Hitchcock movie *Psycho* for the first time. You watch the whole movie, and everybody's running around, and people are getting stabbed behind the shower curtain, and you remember, of course, at the opening of the movie, you're introduced to Norman Bates, played by Tony Perkins, and his crazy mother, who you see from the back, rocking in her rocking chare in the attic, and it's only at the end of the movie that you realize the mother has been dead the entire movie, which, of course, is what happened to health reform. It was dead the whole time. We just didn't know when we were running around and acting as if the whole thing was imminent and about to pass.

So, how to avoid all of us have those delusions this time around, this next time around, if there is a next time, assuming there is a next time, is going to be a critical thing for us all to keep in mind.

With that, let me introduce David Colby, my good friend and great denizen of this effort, David Colby, who is the vice president of Research and Evaluation at the Robert Wood Johnson

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Foundation, where he leads a team dedicated to improving the way Americans maintain health and obtain care. He's been at the Foundation since 1998 and has been in a number of positions there. He came to the foundation after 9 years of service with the late, great Medicare Payment Advisory Commission and the Physician Payment Review Commission, where he was deputy director. While he worked in government, he developed policy research, contributing to landmark legislation that changed the formula for Medicare reimbursement. David, are you coming back for the next round?

DAVID COLBY: I'm coming back for the SGR.

SUSAN DENTZER: Okay. He—

DAVID COLBY: I am the SGR.

SUSAN DENTZER: Okay. I thought so. You look like it. Are you having sustained growth though?

Anyway, he previously also worked on physician payment issues as a Robert Wood Johnson faculty fellow in healthcare finance, serving in the congressional budget office, and David, I believe, also has a piece in the packet that you have, and he's going to give us a few moments of overview now. David.

DAVID COLBY: Let me just say a few words; welcome to everybody here. I'm delighted that we're able to do this, and I want to thank Susan, the panelists, and The Alliance for

arranging this. We can hope that this time it's not an illusion and that we're really working on the issue.

When the Robert Wood Johnson Foundation began in 1972—actually, I won't get into policy, but the first thing that happened was it was announced in the *New York Times*, this new foundation was in New Brunswick, New Jersey, and some thieves broke into the building after reading the *New York Times* article. So that was the first thing that happened to the foundation. But if you go back and look at the foundation in the early days, when they began to work on health and health care, what is amazing is that the board of trustees and the senior staff and, I think, the American public, felt in 1972 that we were on the cusp of health reform, and it wasn't unreasonable. In 1974 there were, I think, 7 major bills in congress that looked like they had a possibility of passage, and it was a very serious effort at that time.

I think that when you go back and sort of look at that time period and you fast forward, I think we have, at the foundation, watched, and we participated in multiple efforts in this area, multiple efforts at every level of government. We've supported state government reforms. We have been involved in Cover the Uninsured week at the national level, and we've been involved in other efforts, a lot of analytic efforts over the years.

We have developed what I call sort of a set of core beliefs about health insurance coverage. Coverage is essential in American society to access to care, and we believe that coverage should be affordable, should provide necessary, appropriate, and effective services, that it should be continuous and portable, that it should promote high quality and cost effective care, and that it should be based on shared responsibilities between the public sector or the private sector and individuals. These principals guide our work, but I think they also exemplify a lesson learned from the past, and that is we don't want to get lost in the details. I think in the Health Security Act we got lost in a lot of the details. Heath Reform is complicated, but sometimes it's necessary, I think. To move the Reform forward, you really have to make some decisions to postpone some decisions. I think the political lesson, or the lesson— not even the political lesson— the lesson of Massachusetts is that you don't have to have every piece of information, every mechanism to pass Health Reform. And so I think that, after all, what is successful Health Reform. It's Health Reform that passes, and that's what they did in Massachusetts. I think Massachusetts is the political lesion, and we'll fill in the technical details as we go on.

Let me just talk one second about the foundation's role in all of this. Our role, as our role in other areas, is to

provide objective information. We want to provide objective information about the issue as what's the nature of the problem. In this case, who are the uninsured, why they're uninsured. And the second is we want to provide and we want to evaluate solutions, and so we've been trying, in states, some solutions. We have, since 1998, we funded Covering Kids and Families, which had a lot of policy solutions in the states on SCHIP and using Outreach in the states. So, our role in this is really to provide information via an information broker for everyone else, and that's why I'm delighted to be here and have this panel.

SUSAN DENTZER: Great. Than, you so much, David, and all of us will be taking advantage of the RWJ recourses, I'm sure, going forward.

I'd like to introduce the panelists now. Many of you know them, but just in case you don't, on my left and on your left— which makes you perfectly positioned all the way around, David— is David Nexon, who is the Senior Executive Vice President of the Advanced Medical Technology Association, or AvaMed, where he is responsible for domestic policy there. But before going over to the dark side, Nexon served for more than 20 years as the Democratic Health Policy Staff Director for the US Senate Committee on Health Education, Labor, and Pensions, and, as many of you know, was the Senior Health Policy Advisor

to Senator Kennedy. He was involved in most of the major health policy issues of the last 2 decades, and before joining Kennedy staff, he was Senior Budget Examiner in the health branch of The Office of Management and Budget, where he was responsible for the late, great, healthcare financing administration activities; now, of course, CMS. He held several academic appointments before entering government.

Next to him is Dean Rosen. Dean is one of the nation's top healthcare experts. He's now at Mehlman Vogel Castagnetti— let me say that right— having played a leading role in developing and advancing health policy for the past 15 years. Before he joined the firm though, he held a series of high-level positions in both government and the private sector. He was Chief Healthcare Advisor, as many of you know, to Bill Frist when he was Senate Majority Leader. Dean served first as the staff director for the U.S. Senate subcommittee on public health, then he was the Majority Leaders Health Policy Director. He was also Senior Vice President of Policy and General Council for The Health Insurance Association of America, where he was during the time in question, and will be talking a bit about that momentarily.

Next to David Colby, on the other side, is Christine Ferguson. Christine, at the time of the events we're about to discuss, was the health aide—

CHRISTINE FERGUSON: At the time of the debacle.

SUSAN DENTZER: The time of the debacle, okay— was the health aide to Senator Don Chafee, one of the old breed of republican moderates; now increasingly scarce on the landscape, but a very significant figure in health reform at that time and in previous years as well. Christine then went to Massachusetts, where she became Health Commissioner, and then she sent me an E-mail recently that she came back to Washington because she was dying to get back to a place where nothing ever happens. She's now the Associate Research Professor of Health Policy at George Washington University's Health Policy Center. We'll be fascinated about her perspective as well.

And then, finally, with us Karen Pollitz. Karen is also again an alumni of the era in question. She's now a research professor and project director at the Institute for Healthcare Research and Policy at Georgetown, where her areas of focus include regulation of private health insurance plans and markets, managed care, consumer protections, and access to affordable health insurance, and, Karen, you've also developed a rating system now to help us— right?— work our way through what's a good health coverage plan, and perhaps you'll talk about that momentarily.

During the period in question, she was Deputy Assistant Secretary for Health Legislation at HHS from '93 to '97, and she was the secretary's legislative liaison on all federal healthcare issues, including National Health Reform, Medicare, Medicaid, Public Health Service, etcetera. She was also, previous to that, Legislative Assistant to Senator John D. Rockefeller, Representative Sander Levin, and after leaving The Hill worked as the Assistant Director of the Washington Office of the American Academy of Family Physicians.

So, welcome to all of you. I asked them to start by evoking for us the special qualities of that era by summoning up one of the dominant memories they have that really seem to, for them, sum it all up; what the experience of living through Health Reform was like, just to start off with a more sort of qualitative perspective on all of this. And if we might, Karen, I'd like to start with you.

KAREN POLLITZ: Sure. Susan, I think you asked us for happy and sad memories; so, I'll start with a happy one, and, as much as I enjoyed your *Psycho* analogy, I don't think Health Reform began as a dead body in the attic.

My first memory even predated joining the Clinton Administration. My probably most powerful memory was election night in 2002. My son, who was a senior—

SUSAN DENTZER: 2002 or '92?

KAREN POLLITZ: '92– can't have been '92– it was because my son, who is a senior in high school was just a baby then. He was 2 years old, and late at night when the networks called the election, I went upstairs and I kissed him in his crib because I thought his future has just gotten brighter and that we had elected a government that cared about certainly Health Reform, which I cared about then and now, and about making government a positive and powerful force for good in this country. And that hopeful feeling stayed with me for a long time. It didn't disappear right way, even in the first hundred days. As your packet remembers from some of the really great articles, it was fun to read in here, there was a feeling of inevitability at the beginning, that we were going to get it done this time. The polls showed that, the lobbyists showed that, all of the kind of key traditional opponents of Health Care Reform were coming to The White House looking for a deal. What could they get. They saw it was the Chamber of Commerce, the Health Insurance Association, the AMA; they all wanted to come in and find out what could they get this time. Mr. Ross Stankowski [misspelled?], who was then the Chairman of the Ways and Means Committee, the Powerful Ways and Means Committee– that was on the letterhead then– who was probably the most powerful chairman I ever watched work, and I saw at lunch referred to the Clintons as "the kids," "those kids"

[inaudible]. And I remember his staff saying that the big boss had said, "I'm going to help those kids make this happen." So, I think we thought it was going to happen, and I think maybe if we'd done some things a little differently it would have happened, but there was a really exciting time, and I, even after the way that it turned out, I have reason to believe that we could do it again. So, I think it was a hopeful time, and I we will get back to that feeling of positiveness about getting this job done very soon.

SUSAN DENTZER: And the sad memory? Or was that the sad memory?

KAREN POLLITZ: The sad memory; there were kind of a series of those too. Probably the saddest personal memory was one day when I broke away in time to go pick up son up at daycare and I got carded because I hadn't been there in so long, nobody knew who I was. I was this strange lady coming to get that little boy. It was a lot of hard work and sad for that to have not turn into what we wanted it to.

There were sort of steps along the way where I felt like bad things were happening but still hoped it would happen. I think the early decision not to pursue Health Reform on the First Budget Reconciliation Bill in '93 was kind of a gut-wrenching time. A lot of us who watched the legislative process and strategized about it knew that that was the piece of

legislation that you could move with a 50-percent majority. Anything else in the senate took a 60 vote majority, and so the decision not to move Healthcare Reform as part of that First Budget Reconciliation Bill was scary.

I think also because we lost some momentum there when Mr. Rostenkowski [misspelled?] stepped down from Ways and Means; that was another scary time; that our champion, who could move it through that powerful committee was not going to be there when Mr. Dingle couldn't move the bill through his committee, another very powerful chairman; that was when I began to worry that it wasn't going to happen.

So I think some of those steps along the way where The White House, for whatever reason, maybe didn't fight as hard as I wanted them to fight for this. Those were my sad memories.

SUSAN DENTZER: I want to jump over to Dean, who, of course was at HIAA at the time, and HIAA, as many of you will know, others may not recall, that HIAA created the famous *Harry and Louis* commercials.

DEAN ROSEN: Well actually, now I need to correct 1 biographical piece, which is I actually joint HIAA after. So—

SUSAN DENTZER: Oh, sorry.

DEAN ROSEN: So I was there. I was actually on The Hill—

FEMALE SPEAKER: He was part of the mainstream—

DEAN ROSEN: I was part of the mainstream promotion.

FEMALE SPEAKER: That's true. That's true.

DEAN ROSEN: So I went to HIAA after Health Reform had died, but the ghost of *Harry and Louise* was still very much alive.

SUSAN DENTZER: And stalking the hallways, right?

DEAN ROSEN: And Bill Gravison [misspelled?], who was the president, was there. But I think that the *Harry and Louise* memories were pretty powerful to me because I think, and I've heard Bill Gravison talk about it a lot, that the ads were actually created because I think Bill in part said people talk about these big issues around the kitchen table, and so we want to have a typical family sort of talking about this around their kitchen table. So that was one of the things I heard. The other thing I heard when I went over to HIAA and was still very much talking about it, and I think a lot of people forget, is that there were these meetings among republicans, particularly the house and the outside groups who were sort of a raid against reform, and the HIAA was actually kept out of those meetings because they were one of the folks early on that had actually endorsed an employer mandate, and I think this is part of the frustration that a lot of people felt with The White House from the republican side of the isle or the business side of the isle, or the business side of the whatever was that I

think Bill and others went over and tried to see is there some way [misspelled?] we can kind of make a deal here? We're kind of in no man's land, and there was no real deal to be had.

I think my own personal memories— and I'll let Christi short of flush it out because I think we probably share one of the same positive memories from my own time— and that was— and in all my time in congress since then, I've never seen this recreated— was this group of members that started off with just Senator Chafee and Senator Breaux, and some of those folks who are not around anymore in congress, sitting around a table for hours and hours and hours a day, and this is my first really go-round on The Hill, and I sort of felt maybe this is the way it always works; these guys sitting around and hashing out these issues, and I can tell you that in my career since then it never worked that way. I was just amazed by the time and attention and the genuineness that I think those members on both sides of the isle sort of put into this, and the feeling that they were really trying to, maybe had not discovered the body yet, but trying to work this out. And giants of the senate, Bob Carey, Bill Bradley, Durenberger, Chafee, Breaux, and others who really sat around, watching them wrestle through these issues for the 3 or 4 or 6 months that it happened for literally 2, 3, sometimes 6, 8 hours a day around a table, with the members sitting around the table and the staff around the

outside, was a seminar in not only health policy but in politics; watching the way that they would look at each other across the room and some of the great deal makers sort of. I remember Senator Breaux nodding at people, and I think that there were— I remember Senator Dan Forth and Senator Bradley making strong opposing points about a tax reform provision, and they were going at it at one point, and I guarantee that they both got out of that room and said, "Gee, I'm sure that John Breaux agrees with us." So there are those kinds of memories too where you really learned a lot, and I think that was very impelling in me.

I think the one— but I'll leave Christi to flesh out those details— the one thing for me that really sticks out, and it symbolizes a lot of things too, was something when I was not in the room, but I remember watching it with my colleagues, and that was when The President stood up in the State of the Union in 1994 and said that if you don't send me a bill that achieves universal coverage, or whatever the words he used, I'll pull out this pen and I'll veto it, and I thought we're never going to get there because there was sort of group of moderate republicans and democrats who were trying to find common ground, but it was pretty clear at that point, as I saw it, that we were not going to get there if the goal was to get to 100-percent, and I think among the things that went wrong, and

it's hard to think about things that actually went right when you go back and you look at this packet of materials, but among the things that went wrong I think was a failure of The White House, at that point, to recognize that if they wanted to salvage something out of it, it was either too late or they were going to have to change their position.

The other memory— I tried to think about memories that actually brought home larger points— and the other memory I have is actually one that David was involved with; although, David's to my right today. He should be to my left. But Senator Kennedy was one of the chairman of the 5 committees that actually produced a bill, and I remember the very, very rigorous way that that committee went about trying to produce a bill. At that time it was The Senate Labor Committee; now it's The Senate Health Committee. We literally went title by title. I think we started at 8 in the morning and went until 5 or 6 at night, and Senator Kennedy would be there to sort of gabble everything home, and this is another point when it came clear to me that it was going to be a real struggle, and that was on the first couple of days when we dealt with Title One. It was all the market structure; how the alliances worked, how the competition would work, and you sort of had, at 8 in the morning, Senator Kennedy and Senator Kassebaum, who was then the ranking member, and most of the republicans. None of the

democrats were there, except for Senator Kennedy, right there at 8 in the morning. They'd show up at 8:20 or 8:30. The third day of the markup, we finally got to the benefit package, and at 7:45, all the democrats were there; seriously, none of the republicans. And I felt this is really a republicans are from Mars, and democrats are from Venus kind of conversation. There were very different goals and very different things that they were looking at in the bill. There's so many memories, but those are just a few of them.

SUSAN DENTZER: Great. Thanks so much, Dean.

David, your memories.

DAVID NEXON: Well, let me start out by saying I'm very optimistic about the prospects, and, after this next presidential election, it may be a little bit like the guy on his third marriage; it's the triumph of folk [misspelling?] over experience, but I do think we're coming back and sort of in terms of public opinion and some of the political dynamics to where we were in 1992, and I'm hopeful that this time we'll be able to get the ball over the goal line.

There are so many memories, it's hard to select one, and partly because I've repressed an awful lot of the stuff that went on, but one that's not really a happy memory but it's kind of, I think a little bit symbolic. It's not either happy nor sad, exactly, but when the bill finally came up in

November, the both labor committee and finance committee, we were happy to share the bill. The finance committee wanted the whole thing. Under the rules of the senate, the bill would have been referred to finance because it had both Medicare and tax component on it. So we wrote a bill that basically just segregated the titles that were in the labor committee jurisdiction, which involved the employer mandate insurance reform, and if pyonchair [misspelling?] to refer that to our committee, so there would have been 2 bills in play. Each committee did a marked up. We got down to the floor and Moynihan [misspelling?] sort of led around by the nose by Packwood, as I perceived it. First they came over and were hooraying Senator Kennedy and that was ineffective, and then they went back and were hooraying the part [misspelling?] parliament TRN, who, to his credit, kind of stuck to his guns about the referral. Then they came back and hooraying Senator Kennedy again, and then since they couldn’t’ get their way, they basically invoked something called Rule 22, which meant neither bill went to committee. They just went to the calendar [misspelling?], so each committee reported out of its own original bill. The reason I think that’s kind of significant, were the sort of 2 things that struck me about that, of all the many things that were going on; the first and most important thing, that was November when this bill was sent up, and I

think you put it very well. I think had that bill moved 2, 3 months earlier, it would have passed because the whole tone was people saw it as inevitable and people were coming in to make deals, as opposed to a block-in, full dynamic change by November, by the time the bill finally got up there.

The second thing I think was the failure to, for whatever reason, to get the democrats together, My experience of the way sort of big things happen in the senate— although, of course, I've never dealt with anything quite as big as this one— is that you have to anchor your own party, and then you bring some republicans along with you. And it's sort of a simultaneous thing because getting some republicans means that you can hold the moderate members of your party or vice versa if it's coming from the republican side initiating it. If you get some republicans, that gets covered and sort of moderate right-leaning democrats, and it also gives you a bipartisan [misspelling?] ability to move forward, and you bargain from a position of strength, and, for whatever reason, we were able neither to get the democrats in line nor to reach out effectively to the republicans, and that in itself tells the tale.

SUSAN DENTZER: And Christi.

CHRISTINE FERGUSON: So it's kind of a humbling experience to revisit this, and I've been called upon to

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revisit it a few times in the last few months, because you realize how warped your perspective is because of where you sat, and other people, who are able to reflect without visceral reactions are also able to remark upon how warped their perspective is. So it's really interesting to listen to sort of what people were thinking in leadership roles at particular moments of time.

So, when I look back, I think the saddest moment for me was that we had spent, on the republican side, because of the catastrophic health insurance reform debacle, and nobody talks about that, but that was really a fundamental aspect of Health Reform in 1992. People don't understand how much of an influence it played, and that was where we passed a bill 99 to 1, and then we repealed it a year later, 99 to 1. So those of us who were involved in that realized that there were a group of people who really didn't understand health care, fundamentally, and they needed to learn it, and most of them were republicans.

So John Chafee and Bob Dole, Shellbark [misspelling?], and I came up with an agreement that we would put together this silly task force, Republican Health Care Task Force, and the idea was to sort of beat into these guys what health care was all about and give them a more fundamental understanding of it, and that lasted for 2, almost 3 years, leading up to '92, and

the idea was that at the point in time when Health Reform came, you'd have republicans who were in the position to understand, for that fleeting moment that you needed them to understand it, what the system really looked like and how it worked. So, here, Clinton gets elected, everybody's talking about Health Reform being key on the agenda, Harris Wofford had won in Pennsylvania, and that kind of hits 2 years earlier. So the ground was there, from my perspective. There was an opportunity there at that moment to pull in a group of people who otherwise would not ever be pulled, would be difficult to pull in, and they made the decision at The White House for reasonable reasons— this was not an unreasonable decision— not to engage in that discussion. So what happened as a result was that we ended up having to continue that process in a more partisan environment. It was, up to that point, not partisan, really. The democrats were begging to be included, and we kept on saying, "We'd love to include you, but these guys need— you don't need to learn this stuff. They need to learn this stuff." So that was a really sad moment because we had prepared and were trying to offer, on a silver platter, something, and the timing wasn't right, and there were many different reasons perfectly legitimate. So, for me, that was the sad moment. There were so many other sad moments, I can't even— they wrote books about the sad moments. I drank a lot. And I'll agree with

Karen, probably from a personal perspective, the sad moment was going home in August, at one point, and having my nanny say to me, "You know Christi, I've worked 100 hours this week, which means you've worked a little bit more than that, and you haven't seen your kid, and maybe you should re-think your priorities." Oh my God, and my nanny's telling me this now. I've got to re-think, which is why I love D.C., but, another story.

In terms of the hopeful moments, I'll say that as far as I'm concerned, I thought the effort was a really noble effort on everybody's part, and I think the thing that people should very seriously consider is whether or not the ground was as fertile as it could have been at that particular moment, and that it may not ever get that fertile again, and that even with most of the stars aligned, this issue is so complex and so difficult that it can't happen in one big bang, and that maybe we should simply consider, not walk away from that, but consider that that's possible and rethink the idea of having this build up to the big bang theory every 10 years, and then have everybody deflate and go away and stop because I can tell you that at the state level, you have these— and I worked at the state level for 10 years after leaving D.C.— we do Health Reform every single year. Every year we do Health Reform. I'd like to do a little bit bigger Health Reform, and if the feds

would just get out of the way with taxes and give us a little bit of money, we might be able to do some good stuff, but my point is that it happens all the time, and these blips at the federal level are truly blips in the way that the rest of the country sort of views it. So, thinking about that, if you think about what were the hopeful signs.

The think that was most hopeful to me was to watch individual senators, and in this case I was on the senate side, and I led this, as a staff person, led this coalition of members that at the high had 27 in it that was bipartisan, and they literally did. I shut the door and I wouldn't let them out one day until they had come to agreement on certain things. They literally sat there for hours and hours and hours working through the problems and trying to come up with a substance. Now, looking back at it, I think I must have been insane, or Chafee was insane or Breaux was insane; someone was insane to put that kind of time in, but they all put in that kind of time, and they really did work through some very, very tough issues. And every single person in that room— and there were a lot of times I through all the staff out, and I was the only staff there— they through all the staff out, and they would have these conversations, and I literally sometimes in the car going home would cry thinking these guys really care, I mean, in a way that you would not imagine. They really do care and

they're spending all this time on this, and I just want to figure out a way to help them make it happen. They all understood that by doing this, even by sitting in these meetings, they were risking their leadership roles in their clockasus [misspelling?].

John Chafee had been decimated by the republicans. Breaux was being decimated on the democratic side. Bradley, Danforth, all of those guys who were sitting in this room understood that at the end of the day they were going to pay a price for being willing to have this conversation, without knowing that they were going to get a result. To me, that's leadership. That's leadership that's stepping away from partisanship. That's leadership in a way that we see in very rare instances in the country. So, for me, that was the fundamental take-away lesson was that when people are given the right tools and a little bit of hope, and believe me, they weren't Quixote [misspelling?]; I mean they did believe right up until the end that there was a hope. They wouldn't have done it if they believed there was no hope, but they believed there was a hope, and they believed that they might be able to just be what it took to get over the hump. So what it takes is stepping away from that partisan role, being willing to sacrifice some things. Chafee was then persecuted around the Environment and Public Works committee, which he was chairman

of. Danforth was persecuted. There were ramifications of this that went far beyond the Health Reform debate for years afterwards. Not one of them, when I see them now, not one of them— John Chafee died, unfortunately, but— not one of them, as I see them, ever regret doing it either, which I think is another piece of it. They really believed that it was moment in time in history and that they had to act in that way. So, for me, that's, I think, the memory that I'll always keep in my mind as well. There were just a number of them that fell into that category.

SUSAN DENTZER: Well I think you heard some common themes in what these folks all said about what that entire process was like, and really, it's sort of the definition of chaos theory, right? It's one even launches another, etcetera, etcetera, and the butterfly flaps its wings and a hurricane happens across the globe; but, the dynamism of the entire process, the import of decisions that were taken that turned out to be fundamental, as Karen said, the decision not to put it on the Budget Reconciliation Bill was probably, in retrospect, a fundamental mistake. The timing that David talked about; if they had just gotten the bill up a few months earlier because of what was happening to public opinion poles. I mean I think Bob Linden's [misspelling?] article in the packet basically says by February of '94, it was dead, and that spirit

was kind of coalescing in the public over that period that David described.

The shifting alliances, the fact that people were ready to talk and people were ready to do deals, and then the missed opportunity on the part of the administration not to do deals with the people who were ready to do deals; feeling that you could put it through by yourself and you didn't need to talk to the folks on the other side. Notwithstanding that though, also, as Dean said, the sense that to some degree democrats were from Mars and republicans were from Venus on this issue, and we have to think of planets that are even further apart, I think, to describe the dynamic today, at least when you hear the discussion on the campaign trail.

So, all of this up against something that both of you described though, which is that among many people, many senior lawmakers, a real sincere effort to do good and to proceed very thoughtfully through some very complex issues. And I guess the question is, is any of that relevant to today, given that we have some very different personalities. We may have a President who's been through this; we may have a President who hasn't. As I said, I think the parties are probably further apart on this issue than they were back then.

So let's just do a quick round of predictions; what you think are going to be the salient features that define this debate, and then we'll open it up to questions. Karen?

KAREN POLLITZ: There was one other fatal, I think, decision that got made that, I think, needs to be remembered, and that was a decision early on, on the part of the Clintons, that— President Clinton— that they would not raise taxes. They were going to cover everybody without raising taxes.

SUSAN DENTZER: Or at least say that.

KAREN POLLITZ: Well, but I brought with me my health security act. I still have it. It still makes a noise when you drop it on the floor, but there's a much shorter version of it in your— it's not—

SUSAN DENTZER: You've got the slim version there.

KAREN POLLITZ: It wasn't as close as the score would be [misspelled?], and there's a little 4-page outline in your things. It's even leaner.

MALE SPEAKER: It's an excellent doorstop.

KAREN POLLITZ: It is a fact that the uninsured overwhelmingly have low incomes; overwhelmingly. 2/3 have incomes below 200-percent of the poverty level, which none of us would want to live on. That's like 12-percent to the congressman's salary; 200-percent of the poverty level. It's nothing. You wouldn't want to try to live on it. So to get

people health insurance that's real, and health insurance that's real covers what you need when you're sick, per capita healthcare spending in this country is about $6,000 a year, alright? So we're not going to spend $100 a person to get health insurance for almost 50 million people who don't have it. So if you're going to do that with no new money from taxes, you're going to have to redistribute a lot of money that's in the system, and a lot of the thickness of that was that clamping down, the tightest, no precedent in history, tight class containment, throwing the brakes on rising healthcare spending; not slowing it, stopping it; that no one on the planet has ever achieved. That's what part of the thickness of that bill is. It's hard to bring that and franchise that many people in an expensive healthcare system, without putting new money on the table. You can do it, and the CBO certified that this added up, which is another reason why there's thickness in there, because you had to really kind of be able to count. So it did add up, but it is a tried and true tradition in American politics that you grease the skids a little bit. You just do. You have a little money to play with to try to make the deals go down a little easier, and there wasn't a dime extra after that, and to kind of loft that up to The Hill and say, "Well, here you are. I'm willing to deal." In fact, once that decision had been made, a lot of the deals were difficult. So, I think

it's important to remember, and there are candidates out there today that are saying we can't do this without money, and I think we all need to really think hard about what that means.

The other thing that I think is important to remember is that as unhappy as it is politically to raise taxes, the specter of big government is also unpleasant, and we're already hearing, we've been hearing actually there's more than 100 years socialized medicine. That's the dirtiest word you can say about healthcare reform. So you need to raise money somehow to get everybody covered, and there does need to be a rule for government, and we need to find a way, I think, for our political leaders to embrace those 2 things and to do it in a way that is compelling to the American public. We're either going to need a roll of government to create public programs through end-franchise [misspelling?] people who don't fit into our system of private coverage today or we're going to need a role for government to tame our current system of private health insurance, which does not work well today. It doesn't. It fails people when they're sick, and we need to fix that. So our leaders are going to have to find a way to embrace that. I don't think it's impossible. This plan is essentially what they're doing in the state of Massachusetts. This plan is—

FEMALE SPEAKER: No, it's the safety bill that they're doing.

KAREN POLLITZ: Well, but they have created a— they don't call them alliances in Massachusetts. It's the connector, but there are rules about how health insurance had to behave and what kind of coverage it need to provide. They've made money available for people who can't afford it. They've got standards. They have brought the industry, or they are trying to bring the industry to heel and make it behave, and the Netherlands do this. I mean you can do this. It's harder, I think, to bring the private insurance industry to heel, and they'll fight like hell. We already saw that, but that's the way to do it.

SUSAN DENTZER: And a republican governor named Mit Romney signed that bill.

KAREN POLLITZ: And a republican governor did it. So it's not that it can't be done, but I think we need to be realistic that we're going to need to have some money to make this happen, and we're going to need to have a roll for government that is significant, and we're going to have to get over that.

SUSAN DENTZER: Karen, let me ask Dean; do you think those lessons have been absorbed by the republican crowd now on the field, the team that will be fielded to fight this one way or the other? And, if so, does that bode well for passage, or is this still something that there's a lot of resistance to the

notion that there's going to have to be more money spent on this, in particular?

DEAN ROSEN: I think that a lot of the strategic lessons of the failure were not only studied but absorbed and acted upon. I mean in the aftermath of the failure of the Clinton plan, you sort of unleashed. It's not like Congress just sat on its hands for the last 15 years. You had HIPPA, you had EBA, you had SHIP, you had Medicare Modernization Act, and I can tell you, when I got to be in a position that Christi was in during the Chafee time, when I was with Senator Frist, there were lessons from Catastrophic, there were certainly lessons from the Clinton Health Plan that were employed. For example, we begged with The White House, the Bush White House, on Medicare, "Please do not send us a detail plan. Please let Congress work it out." I learned, I think, from that lesson that it's pretty rare that you can build something center-out, as David said, and it's pretty rare that you can build something— look at immigration reform— without a committee structure. And so, at least in the Senate with Medicare, we asked the committees to work it out. And it's also pretty clear, I think, in this era that, as David said, with the squabbling between committees, particularly with new media sped up so quickly as it is now, we didn't have some of the things that you could speak to at the time, 15 years ago, that you've

got strong leadership to basically say, "You know what, Senator Kennedy, you've been a leader on this, but you're not going to mark up this bill. It's going to be marked up in the Senate Finance Committee, and these guys are going to work it out, or the opposite decision." So I think the tactical lessons and some of the strategic lessons have been absorbed. I think the thing that is a challenge is that the philosophical differences are more pronounced today than they were 14 or 15 years ago among the parties. You still have folks in the republican party who might be willing to go along on healthcare reform as it was defined by the Clintons at that point, but more and more I think the republicans over the last 15 years have found their own direction on things. The President has a series of policies and others. So that's harder. And I think frankly the budget situation that we face now and the tax situation that we face now is, in some ways, more significant. It's hard to see how you pass the democratic plans, and they've been explicit about this on the campaign trail, without essentially repealing or letting lapse most of the Bush, if not all of the Bush tax cuts. And those are things that are going to be difficult to overcome, even if you could overcome the philosophy.

I was struck by 2 things. I'll leave you with this in going back to the packet. One was, and we seem to forget about in the Health Security Plan, that the focus was not just on

coverage, but in fact was on cost containment and on slowing costs. And so that's something that seems to be less pronounced, even in political debate today, and I think that's probably something that's going to have to be part of something if it's going to attract republicans, or engage republicans. The other thing that struck me was this *New York Times* article that Adam Clymer, Robert Pair [misspelling?], and Robin Toner [misspelling?] wrote in August of 1994, so it will be 15 years ago by the time the next President takes office, and I was struck that any one of us could have opened the *New York Times* or the *Washington Post* or something else this morning and read about SCHIP or Medicare in the same sentence. The complexity of legislating major change in an area of intense partisanship, a pulpit fit [misspelling?] distrust Washington, a campaign technology applied to whipping around voters opinions, and news reports that emphasize conflict and not explanation, and those things have gotten more intense, I believe, not less intense, in the 15 years. So I think it's going to be incredibly difficult, but I think if you look at the Medicare Modernization and other things, I think republicans have learned the lessons well and applied them and I think much more ready to engage than they were in 1991 or '92 when Christi started the work group.

SUSAN DENTZER: Well so it's beginning to sound like *Psycho II* for the next cycle.

I do want to hear both David's and Christi's perspective on this, but just in the interest of getting to some of your questions before we exhaust our time, let's open it up to questions now, and then we'll come back because I want to hear your forecast as well. Julie.

JULIE ROVNER: I'm Julie Rovner from National Public Radio, and I have a question for Christi, which you were eluding to when Karen was talking. I guess a lot of people probably either don't know or don't remember that the individual mandate, which is sort of the flavor of the month right now, was actually born, I believe, during the 1992/1993 debate, sponsored by Senator Chafee, and in the house by Bill Thomas, which I bet a lot of people don't know. What I've been wanting to ask you for a while is when did it go away and why?

CHRISTINE FERGUSON: When did the individual mandate go away?

JULIE ROVNER: Go away. When did Senator Chafee and Congressman Thomas sort of drop the idea of the individual mandate during the debate, during the original Health Reform debate, and why did they drop it? I think I date the death of Health Reform— I guess everybody has their own when did it

actually die— I date it to the Bill Crystal memo that came out sometime in December of 1993.

CHRISTINE FERGUSON: You know, everybody says that. I think he gets to much credit for it.

JULIE ROVNER: Yes, when he said that it's okay for republicans to say no, to have no health reform. I date it to that, but I want to know when Senator Chafee stopped pushing for his individual mandate bill.

CHRISTINE FERGUSON: I don't think we ever really stopped pushing for the individual mandate. Now I'm trying to think when you asked that question. I don't think we ever dropped it. I think the issue was could you come up with a bill that the democrats could agree to because at that time the democrats absolutely abhorred the idea of an individual mandate, and so could you come up with a package that didn't include one. I think what we said was you could trigger it in, but that the only way you could get universal coverage was if you required people to pick up the employer based coverage. It didn't make any sense. You can offer it, but if you don't have to take it then how are you doing to get to 0-percent uninsured? So I don't think we ever really gave it up. I think it was just a question of what would work and how would you trigger it in, because at the end of the day you have to have something.

JULIE ROVNER: Was there ever any significant support beyond the handful of republicans who were brave enough to support it?

CHRISTINE FERGUSON: Among the democrats? Yes.

JULIE ROVNER: No, among the republicans.

CHRISTINE FERGUSON: Among the republicans? You know, that's a tough one. I think no, I don't think that there was a lot of support for it back then. I think that people were willing to do it. It made sense. I mean it came out of a conversation I had with The Heritage Foundation. I know that they hate it when I say that, but, the conversation was if you want to get universal coverage, we think it's individual responsibility. I said, "Fine, if it's individual responsibility, let's be real about individual responsibility." I mean as long as you can go into a hospital— and this is the conversation I have with everybody when they come to me and they say that that's the same thing as owning a house. We wouldn't mandate somebody that owns a house; fine, but if somebody doesn't own a house, they don't end up in the hospital emergency room, and they get treated. If you want to say that if you're on the side of the road and you've been hit by a car and the ambulance comes and there's no money and there's no insurance and you're allowed to die, that's fine, but as soon

as you start making other people pay, then you're in a whole new world.

SUSAN DENTZER: And now, of course, it's an article of faith in the Democratic Party, with the exception of Obama, that there be an individual mandate. Laura.

LAURA MECKLER: I'm Laura Meckler from the *Wall Street Journal*. I started covering this issue well after the death of this, but it was still 10 years ago, and I've basically spent off and on throughout the last 10 years trying to understand exactly what was proposed and what happened, and this sheet is very interes—

SUSAN DENTZER: Don't spend too much time on it.

LAURA MECKLER: Well not full time over 10 years; just off and on.

My question is, looking at all these provisions of The Health Security Act, a lot of these are very complicated. No one really understood it in the general public back then, and how, in order to do comprehensive health reform, how much of this is necessary in one way or another? In the campaign it's talked about in just some very broad brushes that I think everybody can pretty much understand if you try, but there are a lot of things in here that, in terms of cost controls and in terms of benefit mandates, in terms of how the alliances are operating [misspelling?]; are all of those things necessary in

order to do a comprehensive reform or could you do one that would be more somehow escape all of this, which seemed to scare people?

SUSAN DENTZER: Well David might want to speak to that, David Colby, because you mentioned it's possible to do a deal with lots of decisions to be taken down the line, at the state level, for example, as was done in Massachusetts.

DAVID COLBY: Yes, let me say a couple of things. One is on that I look upon health insurance or expanding coverage and reform as fundamentally a political question that should be left to politicians to decide. In this time period we have a lot of wonks like me involved in the questions, and I think finding the sort of general principles and answers, and then filling in the details later is one way to go. Obviously you can do an incremental set of reforms.

The first SCHIP passage strikes me as a really good example of bipartisan working on a bill, putting it the Balance Budget Act of '97.

LAURA MECKLER: But I'm saying to do comprehensive reform. Obviously we know you can do incremental reform, but if you want to do comprehensive reform, is it possible without, or is it—

DAVID COLBY: Well some of the provisions you don't need. I mean, some of the provisions weren't in the Chafee

bill, for example, and if you hadn't had the Budget Reconciliation Act before the— if I remember correctly, we're counting on money from Medicare savings to fund the Health Security Act. Those went away with the budget reconciliation.

FEMALE SPEAKER: Although there were a lot more in that bill that followed, but that's when it started to pinch.

KAREN POLLITZ: Let me try another answer to that question. Is there anybody who doesn't think that Medicare was a huge health reform in the 60's?

DAVID COLBY: Yes. Oh, doesn't?

KAREN POLLITZ: Doesn't think that it was a huge health reform. Okay, huge health reform. You know, I spent the close to 20 years that I was on The Hill reforming Medicare almost every year in budget reconciliation acts. So, I mean, the answer to the question is pass it, pass it, pass it. Get the big provisions in it, get enough so that you can get moving down the trail; and then, you're going to revise it over and over and over and over again. There's going to be people sitting here 50 years from now saying those people in two-thousand-and-whatever year it ends up being, didn't consider X, Y, and Z because the technology didn't exist. I mean I think that we think at the federal level that every T has to be crossed and I dotted, and we have to deal with CBO and OMB, and

all of these cost us, and the reality is it's a wing and a prayer at the end of the day anyway.

FEMALE SPEAKER: Let me just add one thing to that because it's true you don't need to speck it out like this, but, not just anything that can pass will work, and so—

KAREN POLLITZ: No, no, I agree with that. I agree with that.

FEMALE SPEAKER: I use what I call the 4 A's.

FEMALE SPEAKER: This is the rating system.

FEMALE SPEAKER: This is my rating system. So whatever you make, when you look at people who are sick— alright? Because we don't buy health insurance in case we stay healthy— when you look at people who are sick, whatever that coverage is, it needs to be available to them. Health insurance is not available to me in the individual market because I am a cancer survivor. I can't buy it. They'll turn me down. So coverage needs to be available. You need to be eligible to be in it. It needs to be affordable. If we're going to make people pay something for it, it has to be something reasonable, and again, the uninsured don't have much money. It has to be adequate. I could give everybody in this room health insurance today that costs $1.00. It would cover at toothbrush; big deal. I could pass that, but it has to take care of what they need when they're sick, without there being thousands and thousands of

dollars out of pocket, leaving them medically bankrupt. A million families a year in the United States declare medical bankruptcy, and it has to be there always; has to be there always. It can't come and go. You can't accidentally fall out of it and then take 3 months to get back into it when you're in the middle of radiation therapy. So it has to do those things. You can make it as simple as that, but whatever the elements are, and you could achieve that through the private market or through a public plan, but you have to do all of those things.

MALE SPEAKER: But Laura, I think a lot of it was necessitated by the desire to control costs. You don't necessarily have to get into anti-trust reform or liability reform to have coverage, if that's your goal, and a lot of it was dictated by politics. I mean that's why the benefit package is the way it was. I think I wasn't there. That's why there was a drug benefit put into it. You clearly didn't have to do a Medicare drug benefit to do comprehensive reform. So those things are realistic, but could you do some kind of expanded coverage or universal coverage without doing every single thing in here? Yes.

SUSAN DENTZER: Let's take a couple more questions here, and then we'll go around the room and pick up the others.

FEMALE SPEAKER: [Inaudible] for the *LA Times* and the *Washington Post.* I have 2 questions. You probably only have

[1] kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

time to answer 1, but 1 is in 1993 I was a freelance reporter for the *New York Times* news service, and I was only paid if there was work to do, and the work that there was to do— I worked a lot— was that every association had its own healthcare reform proposal; the physical therapists and the dentists and the otologists, and every day I was going to another briefing because they all were packing in what they wanted to see in the bill, and it never had the chance to weigh it down because it didn't go far enough, but this time around if it goes further, do we have those same things? Are there too many people at the table who want to be sure that they have a stake? But my second may be the one that I also would like an answer to, and that is what efficiencies do we have now that would make it work better than last time? So, for example, after Hurricane Katrina, when people were relocated, many of them could get their prescriptions that they left behind in New Orleans or wherever because they went to a chain store an they didn't have to have something re-prescribed or see a doctor. They're prescription was on record. They simply got the blood pressure drug they needed. What efficiencies are there in the last 15 years that you don't have to recreate so that if we were to have a healthcare reform bill, there's some things you don't need to start, if anything.

SUSAN DENTZER: David, why don't you speak to the first part of that, now that you're at an interest group, or is there going to be an AvaMed health reform plan?

DAVID NEXON: There is an AvaMed health reform.

SUSAN DENTZER: There is?

DAVID NEXON: It's very good. You can go to our website and read it.

I think it's inevitable when this thing comes along, many groups are going to cook up their own health reform plan. I don't think that that's in any way a problem, in terms of the process. It's a way of people getting a marker out there and saying they want to be part of the thing, and the way Washington works, every interest group's going to have some input into anything that happens. So, in a way, the fact that the more groups that are putting out actual health reform plans, if they're significant, if they really wound tend to our universal coverage or very much broadened coverage, it probably helps because it creates momentum for doing something, even if it's not exactly what those groups propose.

I think, just sort of looking at some of the dynamics that will be going on, assuming we get a democratic President who campaigns on doing universal health, I'm sure they'll campaign on our very much expanded health reform. Whether we'll get a democrat remains to be seen, but assuming that we do and

there's a sense [misspelling?] mandate as we had in 1992, I think that— we talked a little bit about the lessons— I think that Dean is right in highlighting that there are some difficulties now that didn't exist so clearly when the Clinton plan started out. I think, in particular, there's a much more partisan environment in Washington than there was then. It's harder to find republicans to support essentially a democratic initiative, and vice versa. So it's harder to put things together, I think, than it would have been then.

On the other hand, the fact that the republicans have been talking about health care a lot, as Christi pointed out, there are programs on the table that are a lot of them are focused on tax changes, changing the way the tax code treats insurance, some of them involving individual mandate. That's out there as an idea. The Heritage Foundation has endorsed it again in support of the Massachusetts's plan. It leads me to think that there is a basis for a compromise that could be put together that would get you not just expanded coverage, but universal coverage, but it's going to be a difficult task, and I had to pick the one single thing that makes it a little harder even than it was then. It's probably the increased partisanship amongst the 3 parties.

FEMALE SPEAKER: And what about this question about efficiencies, and I gather, Fran [misspelled?], you mean

efficiencies in health system. I mean every candidate is proposing massive investments in health information technology. So there seems to be a feeling that we're not quite there yet, but Christi, do you want to comment on that?

MALE SPEAKER: I think the problem with most of the efficiencies is you have the redistribution question; that is, one person is saving things, and you want to get the money to another person, and it's the classic Washington question. It's a redistribution question that's really hard politics. The person who's saving doesn't necessarily get the benefit of the savings.

MALE SPEAKER: Well I do think though there's something different that's going on, and it's not fully mature yet. It's not so much stuff we adopted or what people see. I think, based on every pole I've seen, cost containment is going to have to be a key part of whatever plan is put forward. And what we now have is a growing consensus around the set of cost containment measures that don't alienate key continuances because they're not the traditional caps on insurance premiums or regulation for lighter payments, but rather, they're centered on things like better management or chronic disease, improving quality of care, expansion of the information technology, which I really do think, after amendus [misspelling?] potential to reduce cost over the longterm. It's not going to obviate the need for some

investment or tax increases in the short term, but it does give you a credible, and I think not only just credible, but a true way of getting costs under control over the longer term that can be part of a proposal, without sort of turning off the major interest groups that you want to be helping you as opposed to fighting you because they think you're taking away something from them.

DAVID COLBY: I think one person's cost is another person's payment. So I think that's where the politics are going to rub on some of the—

MALE SPEAKER: Yes, but something like that are—

DAVID COLBY: It's less intrusive than expenditure targets and—

SUSAN DENTZER: I think it's hard to get up and be in favor of wasteful chronic care spending and take a policy position on that.

Let's take Ricardo, and one more question, and then we'll wrap it up.

RICARDO ALONSO-ZALDIVAR: Hi, Ricardo Alonso-Zaldivar with the *LA Times,* and my question for you is, as you look at the SCHIP debate this year, what signals are you picking up in terms of how a broader debate over bigger changes might go?

SUSAN DENTZER: A couple of you referenced that. Karen?

KAREN POLLITZ: Well, I think it's important to look at the big vote that SCHIP reauthorization got in the Congress. In the end of the day, there was just 1 no vote that counted. It wasn't a slim majority by which the SCHIP reauthorization passed either the House or the Senate. So I think even while we're stuck on that bill, a change of just one person's seat would maybe make a big difference on whether that thing moves through and whether we can move it through without losing any kids who have coverage today.

MALE SPEAKER: A change of 1 person would solve the SHIP problem; no question about that.

SUSAN DENTZER: Well, and just numerically, it's clear there was a bipartisan consensus around that health reform.

KAREN POLLITZ: A big bipartisan consensus. Not just a little one.

SUSAN DENTZER: In the senate, well and—

KAREN POLLITZ: Not just a little one.

MALE SPEAKER: I think the thing though about it is it does, in a microcosm or in a proxy war— pick your analogy— it does raise these deeper philosophical issues that I think are going to be confronted on a broader scale, if you broaden it out. I mean, the reason that SCHIP passed by such a broad margin in the Senate was because it really wasn't goring anybody's ox in terms of the tax increase. It was a tobacco

tax. So yes, it upset some people, but it wasn't if you really had to get to more universal coverage, and it's explicit. Mrs. Clinton talks about it, Mr. Obama talks about it. They're going to raise taxes on somebody. We may agree with who their raising taxes on, but that's a lot harder. You bring out a lot more people who are opposed to it. So you sort of avoided that, but the philosophical issues of where the government's responsibility begins and ends in terms of people who are at a lower and higher income, you can say that the President was overstepping and saying this was going to lead to government, or you can say the democrats were overstepping, but the fact is those issues are real. They got joined in a very real way. I think because a lot of republicans saw it, and clearly the President saw it as a place to make a stand, and there are ways to overcome those differences, clearly, but the kinds of issues they raise, the budget issues and the philosophical issue about where the responsibility of government, the private sector, and the individual begins and ends, are going to be the things that you're going to have to solve in any debate and will get to be bigger problems as you get to a bigger reform.

CHRISTINE FERGUSON: And I think that that's an excellent way of summing up, that it's the issue of you hear governors talk about people making bad choices. It's the idea of making bad choices, whether it's to eat to much, not

exercise enough, not have health insurance, to have health insurance, to not take care of your diabetes, to not do your insulin; it's this question of who should pay if somebody makes a bad choice, and on the other side, the question is really are they really bad choices is this really an issue of how our society and our technology and understanding of medicine and our wellbeing has evolved, and we really are having a hard time, as a society, reconciling those issues. They come out in welfare, they come out in this, and this is vulnerable populations. It's the issue of where are we willing to support vulnerable populations and where are we willing not to support them because we believe it's their own fault, and, until we are able to sort of understand that that's one of the fundamental issues here and deal with it directly, I think that we're always going to have this problem, and at the end of the day, I think fundamentally, whoever decides to take this one, if it's the President, if it's a group of leaders in Congress; whatever it is, they need to understand and be willing, going in, to understand that they are not going to get any kudos from anyone; that this is one of those issues that is like the deficit or the national debt or international security; whenever you go into it, you are not going to come out smelling like a rose. You are not going to come out as a hero. You are going to come out as a villain to someone, and those people are

going to exploit it, and so therefore, it has to be the first thing on the plate when you come out of the shoot. It has to be your first think. You need to decide you're going to use all of your political capital on this issue, and if that is the willingness then there is a possibility that it could happen. You have to be a leader, and you can't be worried about what's going to happen to you from a partisan perspective, and you have to do this in a way that has a light hand, where the details are not fully flushed out to the extent that we did in health security, but not so un-flushed out as we did in Catastrophic that it gets repealed. It's going to have to be worked out with a group of people, all of whom are willing to take the blood oath that says I am willing to give something up, and it may even be my seat, in order to get health reform done.

SUSAN DENTZER: So, just think folks, 535 tar babies to cover the next few years.

Let's take a final question here.

MALE SPEAKER: Tom Donlan [misspelling?] from Barron's. The only successful health reform of the Twentieth Century was Medicare, and largely passed with what turned out to be unrealistic cost estimates.

FEMALE SPEAKER: Exactly, and no details.

MALE SPEAKER: And, as you know, you know have to go to CPO and 16 other agencies to get your expenditure and your revenue estimates validated. Is health care reform today, or next 2009, actually affordable, and, if so, how, given that the largest looming financial crisis of the next 25 years is likely to be the ballooning of Medicare, which nobody mentioned that itself is getting to be unaffordable. How do you actually intend to pay for this?

CHRISTINE FERGUSON: You know what, GASB and FASB right now, the rules on GASB and FASB, I don't know if any of you understand this, but this issue of having to report what you're out-year liabilities are as a state and local government, as well as in the private sector, and talk about it directly, what your healthcare costs are. You ask is it affordable to do it? I think the reality is the things going to implode. We're not going to be able to survive. Businesses and state and local governments that have to balance their budget at the end of the year are not going to be able to manage with this new transparency, and as a result, the pressure for doing something, because they can't afford the current system, is going to be a real push.

MALE SPEAKER: Which rug are you going to push these costs under this time?

CHRISTINE FERGUSON: They can't be pushed under a rug. It's got to be said that this is a percentage of our economy that's just, this is what we spend.

KAREN POLLITZ: But it is absolutely affordable. There is no question in my mind that it is affordable. We are the wealthiest nation on the planet. Nobody is as wealthy as we are. And we care about health care. We consume health care because we care about health care. I'm here today because we have health care that can cure cancer. It's a good thing. We can afford it. We absolutely can. When you look at 16-percent of our GDP, which everybody feels like wow 16-percent; look at what's in the other 84. We spend $1 billion a year in the United States on custom ring tones for our cell phone; not the phone, not the service, not the ringer that came with the phone; the songs that my son downloads for $9.95— it pisses me off when I see them on the phone bill— $1 billion a year. $10 billion a year we spend on those damn video games that spends too much time on instead of his homework. We spend $0.5 trillion a year in the United State eating out at restaurants, and a third of that is fast food.

SUSAN DENTZER: Not to mention the 30 or 40-percent of health spending that we think is a complete waste.

MALE SPEAKER: Most of the people would not give up one restaurant meal in order to make sure—

KAREN POLLITZ: I don't think that's true either. I don't think that's true. I think that get's back to Christi's question about leadership, and I think we also, for all that this has been ugly, and she's right, this is never going to pass by acclamation. There going to be a whole lot of log rolling that goes on to make this happen, but I do think we have great traditions in this country where our leaders have asked people to step up and said we need to do this, and I think we can do that, and I think we can afford to do it and it doesn't even need to hurt. The numbers will be big, but we just need to keep them in a little better perspective.

SUSAN DENTZER: Last comment from David.

DAVID COLBY: Can I just second what Karen said. I'll give you Senator Kennedy's answer, which he's been giving for the last, I don't know if God knows how many years, which is we can't afford not to do it. And the fact is that the increase in national health spending from universal health insurance coverage of high quality would be about $50 billion a year out of a $2 trillion current bill. I don't mean to minimize the CBO and the public finance and all those things. Those are huge problems when you're dealing with a legislative problem, but the fact is it's an issue of will. It's not an issue of cost. If you look at the society [misspelling?] in the economy, it's a whole, and that goes with whether you're going to trade ring

tones off or something, but I mean it's a very small increase in total national spending for giving the American people the security and the access to health care that all of us think ought to be the birthright of every American.

SUSAN DENTZER: I just want to close by asking you all to give us 30 seconds of advice on how to do a better job covering this. To me, the signal phrase that I've heard recently that encapsulated to me what I think lies ahead in terms of the debate over health reform over the next year, is in the movie *Hairspray,* where the Queen Latifah character—

CHRISTINE FERGUSON: You watch too many weak [misspelling?] movies.

SUSAN DENTZER: Where the Queen Latifah character councils her young son, who's an African-American kid who has hooked up with a white girl, and she's counseling him about the future of how this will be encountered in 1964 Baltimore, when the movie is based, and she says, "You've got to get ready for a whole lot of ugly coming at you, followed by a never-ending parade of stupid." Now, we're going to hear a never-ending parade of stupid, as journalists. Give us 30 seconds of advice, each of you, on how to sift through all of this better and do a really responsible job of covering this and framing the issues correctly for the American public. And why don't we start with you, Karen. 30 seconds each.

KAREN POLLITZ: I think your metric needs to be whatever it is anybody's proposing, how will it work for people when they're sick. The *LA Times* just did a really nice piece on cancer survivors and how many of the candidates who are themselves cancer survivors could be covered under the plan that they themselves are proposing. That was a really nice piece.

Look at somebody with diabetes, somebody who's had a heart attack, somebody who's pregnant, and ask that as your question. How does this, what you're talking about, politician, work for those people. Ask that, and I think you will cut through the crap and get right to what matters.

SUSAN DENTZER: Christi.

CHRISTINE FERGUSON: I think compared to, along these lines, make sure when you talk about it, you're also talking about, I don't want to say the danger because that's not how you cover it, but the issue of the status quo; so what's the difference between the status quo and doing something? So sort of marrying those two and it's gets exactly to your question. Can we afford the status quo and could we afford something new.

And then the second thing, which is a little bit more controversial, I think, is try to find the people who are really trying to do this for the right reasons and who are playing leadership roles, and give them coverage because,

honest to God, these guys get vilified, and women get vilified, and to the extent that they can get some coverage and some vindication for what they're doing, I think it really enhances people's willingness to stand up. You do provide an outlet that otherwise they wouldn't have. So watch for the leaders, and try to identify them and draw them out.

DEAN ROSEN: I would say two things; one, to pay attention, it's hard for us to do who spend our lives only on healthcare, but to pay attention to both the political and the economic context in which this is taking place, and I think that's one of the things that got missed, for example, last time around. One of the reasons I think that people were willing to put more faith in the private sector and move away from a government reform is that, at the time, and it was fleeting, but it appeared that the private sector was successfully holding down costs through managed care. I think that was one of the things that we sort of missed in the story until the retrospectives.

And I think the second thing, and Christi said this too, is in addition to focusing on the people whose lives are affected, I've sort of become a believer in my 15 or 16 years of doing this that you've got to pay attention to the people who are making decisions, and whether or not this going to be successful. I think one of the reasons the Medicare

Modernization Act was successful, for example, was that you had a majority leader, Bill Frist, who I worked for, that spent his career in Congress at the time focusing on health reform and Medicare reform, who was in a position to do something about it and who cared a lot about it; the same with Bill Thomas, the same with John Breaux, who served as the chairman of the Medicare commission. They were all in a position of being able to make decisions. I think watching them and how they react and what they were saying and what they were doing, as Christi said, the people, in addition to the moment and in addition to this broader context, I think is critically important.

SUSAN DENTZER: David.

DAVID NEXON: I would say keep your eye on the ball. I mean if this thing gets moving, you're going to hear a lot of charges from both sides that will take little pieces of the plan and try and magnify it. You'll hear from both sides, both opponents. I think it's very important for the press to play kind of a fact-finding role for the American people. When somebody has heard something, it's important to look at it both as to whether it's factually true and how it fits into the broader context because we certainly got clobbered last time, I think, for a lot of things that were untrue about the plan, and probably we didn't get actually some of the heat about some of the things that were a problem with it.

SUSAN DENTZER: David, do you want to give us your 10 seconds left?

DAVID COLBY: Yes, I'll just say I would try to follow, and this sort of is in Dean's mode, I would try to follow and figure out whether this is real, and the signs I would look for and I think we've all been talking about is this the first thing and the thing that the President is pushing. You know you have NAFD [misspelled?], you have budget reconciliation that got in the way in Clinton.

I think I would also look to see this may be a very quiet effort, and if it's a quiet effort, is there work going on between republicans and democrats along the way. I think that's going to have to happen. We're going to have to have a bipartisan bill. My view is that last time it was too late to come to those kinds of things.

And then, and David's leaving the room on this one, I think that one of the problems of the democrats last time goes back to what Will Rogers said in the 1930s, "I don't belong to any organized political party. I'm a democrat." And they weren't inline with the bills. They had a number of bills, and so I'd watch what's going on within the majority; well, whoever's the majority party, within the majority party.

SUSAN DENTZER: Alright, great advice for all of us about how to avoid that never-ending parade of stupid copy that

a company is what may be some dumb thing said on the campaign trail and they're after.

Let me just remind you all to please fill out these evaluation forms. Join me in thanking these alumni of health reform last time, and God speed to all. Bye-Bye. [Applause]

[END RECORDING]