Articulating The Need For Innovation And Accountability
by Donald Moran, Allen Dobson, and Gary Young

Joseph Antos presents data on funding patterns that he indicates are "generally consistent with the demonstration activity levels" that we reported in our paper, "The Role of Federal Waivers in the Health Policy Process" (Health Affairs, Winter 1992). Antos also indicates that there is no very good way to measure demonstration activity and that most of the important Medicare and Medicaid reforms implemented over the past decade relate one way or another to waiver activities. We concur with these assessments.

In our paper we state that the nation is ill prepared for health care reform because working models of the various reform proposals have not been demonstrated and tested. This is due in large part to the fact that much of the context of the health care reform debate could not have been foreseen by the Health Care Financing Administration (HCFA) and that HCFA waivers, by necessity, relate to the Medicare and Medicaid programs. Many of the concepts in need of testing have their origins in the private sector and have not yet been proved with wide-scale applications.

But above all else, our paper was intended to serve as a road map for the future, not as a report card on the past. In our paper we offered four recommendations to improve the waiver program; we reiterate those here: (1) Develop a strategic plan that balances political and research objectives; (2) increase state administrative flexibility by creating a waiver provision under the Employee Retirement Income Security Act (ERISA); (3) streamline the process for obtaining waivers; and (4) implement an accountability system for tracking decisions and outcomes with respect to the waiver process.

Our first recommendation is the most important. A strategic plan should lay out options for how to move forward with complete health care reform concepts and technologies that have been tested and in which we can place our confidence. The waiver program is an ideal platform for testing such concepts and technologies. However, we should not expect to find a single comprehensive solution to all the problems associated with our health care system. Rather, we must be prepared to experiment with innovative ideas as they are advanced. Bold and persistent experimentation is at the core of a successful demonstration program.

Our nation is in a quandary over health care reform. The continued increase in health care spending and the opportunity costs that result call for innovative solutions. At the same time, the lack of operational experience with the various health care reform technologies calls for caution. Thus, while costs must be controlled initially, as a nation we need to test carefully a series of alternative long-run strategies. This will require that the states be given flexibility to move ahead with alternative conceptions of how health care should be reformed; at the same time, states must be held accountable for their results and be able to document their findings. If this happens, we as a nation can determine the best approaches to long-term cost containment.

We hope that the Clinton administration will reaffirm the nation's commitment to program experimentation. By investing in waiver planning and implementation, the administration will be helping to develop the intellectual capital and future infrastructure of our health care system. This will be a critical step in preparing ourselves for the health policy issues we will face in the twenty-first century.

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