Health Reform: A Bipartisan View

The Wyden-Bennett health reform bill offers the incoming Obama administration an opportunity for success where others have failed.

by Jim Cooper and Michael Castle

ABSTRACT: This optimistic assessment of the prospects for health reform from senior Democratic and Republican congressmen spells out several reasons why reform can be achieved early in the first year of the Obama administration. Political and policy factors suggest that President-elect Barack Obama is in a much better position than his predecessors to achieve comprehensive health reform, including universal coverage. The Obama administration will have to overcome numerous obstacles and resistance to enact reform. Still, after decades of frustration and disappointment, policymakers should set aside their differences and enable the United States to join the ranks of developed nations by making sure every American has health insurance. [Health Affairs 28, no. 2 (2009): w169–w172 (published online 16 January 2009; 10.1377/hlthaff.28.2.w169)]

Today’s estimated forty-six million uninsured Americans could soon rise to fifty million or more amid the current recession. They and their families need help now. Virtually everyone feels insecure about the crumbling U.S. health insurance system, as more and more employers drop coverage. It’s time to act.

Reforming the $2.4 trillion U.S. medical sector will be very difficult, but the task is manageable. It will also be easier than cynics think. For starters, the Obama team may well prove to have managed the best White House transition in modern history. President-elect Barack Obama has made good first steps to assemble teams of talented individuals to carry out his health reform agenda. Former Sen. Tom Daschle at the Department of Health and Human Services and Peter Orszag at the Office of Management and Budget (OMB) are ideal members of Obama’s health care team, because they are politically and technically adept. They have already learned from earlier Democratic and Republican mistakes and are unlikely to repeat these errors. They also know that making good on Obama’s campaign pledge to ensure every American is the most visible and popular thing that the White House could do, if handled correctly.

President-elect Obama’s best opportunity to deliver on his promise of universal coverage will come during his first six months in office. Presidents are strongest during their honeymoons, which are sometimes cruelly short. Very soon after Inauguration Day, the many problems that Obama inherited from past administrations will be seen as his own. On the other hand, if voters see their government producing real results shortly after the president and the new Congress take office, that fact alone might prolong the honeymoon and shore up Obama’s supply of political capital.

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We argue that one other important factor gives the incoming administration a head start: the existence of the Wyden-Bennett Healthy Americans Act (S. 334, 110th Cong., 1st sess., 2007), of which we are cosponsors. In fact, with seventeen bipartisan cosponsors in the Senate (eight Democrats and nine Republicans) and a strong, bipartisan group of backers in the House at the end of the 110th Congress, the bill is the only health reform legislation that has received more than token bipartisan support. It would build on the proven Federal Employees Health Benefits (FEHB) program, offering everyone the same health benefits that Congress gets. It would continue the existence of a private health insurance industry and respect the rights of the private sector in other ways.

However, the bill ought not to be seen as an end point but rather as a starting point for reform. It can be a basis for the inevitable compromises that must be made to assemble a package palatable to most Americans.

Excuses And Obstacles

Nonetheless, to make headway, the Obama administration must overcome a series of excuses and obstacles to reform.

**Current fiscal crisis.** The first excuse is the notion that the current fiscal crisis will prevent sweeping health reform from being enacted. On its face, this argument might sound persuasive, since achieving universal coverage will cost roughly $150 billion a year. However, although that sum would have been a deal-breaker in previous years, it now looks modest compared to the financial bailouts. This new spending would arguably be popular and would boost real output in health-related goods and services.

Moreover, it’s possible that the cost of universal coverage can be offset by savings within the medical sector itself, without harming anyone’s health. In fact, such savings could even improve our health. This is the rarest thing in politics: a win-win-win situation. Orszag himself has testified about $700 billion in annual waste in the medical sector, and the Congressional Budget Office (CBO) recently released its own guide to possible legislative cuts. Building on John Wennberg’s Dartmouth Atlas of Health Care and new studies by the McKinsey Global Institute, the case against waste in health care is solid. Partly as a result of this scholarly consensus, both the CBO and the Joint Committee on Taxation have estimated that the Wyden-Bennett bill would produce net savings for the federal government.

That underscores a critical point: comprehensive coverage is possible without any new taxes.

**Partisan bickering.** Another oft-voiced excuse for the prospective failure of reform is that bipartisan bickering will make reform impossible. We prefer to frame this positively: for reform to pass, it must be bipartisan. As Thomas Jefferson said, “Great initiatives cannot be passed on slender majorities.” From a practical standpoint alone, nothing will pass the Senate without the sixty votes needed to cut off a filibuster; at present, Democrats will occupy no more than fifty-nine seats.

Bipartisanship is particularly important when the subject is health care. Nothing is more intimate or important than one’s medical care. All patients, regardless of politics, should feel comfortable with their doctor, as well as with the system as a whole. Patients need confidence that their treatment, and their system, will work. This legislative imperative fits perfectly with Obama’s goal of a postpartisan approach to politics. It gives Republicans not a veto but a voice. A bipartisan approach would show the United States that Washington has indeed changed—for the better.

**Special interests.** A third excuse put forward by reform pessimists is the insistence that special interests will thwart its passage. Certain signs are leading us to believe that these fears are overrated this time around. Surprisingly, the likeliest adversary, America’s Health Insurance Plans (AHIP, the successor to the Health Insurance Association of America, which sponsored the infamous “Harry and Louise” commercials), seems to be working an inside, not an outside, strategy. Other opponents of Clinton reform such as the Business Roundtable and National Federation of Independent Business (NFIB) are sounding open-
minded.' Their usual cries of “big government” or “socialized medicine” seem almost silly after the private sector’s recent demands for government bailouts. On the other side, groups like AARP, labor unions, and progressive groups are more energized and organized than ever. What’s more, organizations as diverse as the Service Employees International Union (SEIU), NFIB, and Safeway Inc. have already spoken favorably of Wyden-Bennett, and groups that could have attacked have not.

Government Intrusion. Voters’ leeri ness about government tampering with their health care is another concern. In this respect, polling by Robert Blendon of the Harvard School of Public Health is like a recurring Health Affairs nightmare. For years Blendon has explained why most voters are loyal to the devil they know and are suspicious of interference by the government. They like their current medical care enough to oppose changes that might require them to give up what they’ve got. But President-elect Obama is a superbly gifted communicator who has indicated a desire to bring widely divergent groups to consensus. Now he can use the bully pulpit of the White House to explain why fundamental reform is not only necessary but overdue. If health reforms are agreed to on a bipartisan basis, the breadth of the support across party lines will also help reassure voters.

There are still many real obstacles to reform. One will be the tendency among extremes in both parties to allow their notions of “best” to become the enemy of the “good.” For example, already many Democratic stalwarts who have advocated single-payer health care—some since the Truman administration—are pushing Obama’s campaign promises to the left. They forget that Obama refused to endorse single-payer in the campaign. It will be fascinating to see if the Obama team fights hard for a publicly funded coverage option that would be interpreted by many as the beginning of “Medicare for all.”

The Promise Of Wyden-Bennett

To close a deal on health reform, President-elect Obama will have to forge agreement both between Democrats and Republicans and also among Democrats. In the fairy tale of American politics, the last chapter of Camelot has Sen. Ted Kennedy passing universal health insurance into law. Although every Democrat regards Kennedy as the true champion of reform, there are others close behind him: Sen. Max Baucus, chair of the Senate Finance Committee; House Energy and Commerce chair Henry Waxman and chair emeritus John Dingell; Ways and Means chair Charlie Rangel; and Pete Stark, who chairs the Ways and Means Health Subcommittee. On the Republican side, Senate Finance Committee member Sen. Chuck Grassley and Sen. Mike Enz, among others, have something to add. All of these voices will need to be heard—and in the end, the final bill is likely to combine the good of Wyden-Bennett with input from Kennedy, Baucus, Grassley, Waxman, and others.

In the end, there may be serious policy differences that even an effective leader like Obama cannot resolve easily. We freely admit that some ideas in Wyden-Bennett may prove to be too controversial, such as replacing Medicaid with subsidized private insurance. Advocates for the poor are rightly opposed to cuts in health care, but Wyden-Bennett would mainstream the poor into private health insurance with subsidies to those in families up to four times the federal poverty level. This is much greater than most state Medicaid plans, particularly in the Sun Belt, and offers much greater physician choice nationwide.

Another controversial aspect of Wyden-Bennett is its move away from employer coverage. Groups ranging from big business to the AFL-CIO love the U.S. employer-based system. Wyden-Bennett would create alternatives to this system that would completely transform the individual health coverage market. Blue- and white-collar workers alike could get a better deal than is available from all but the largest employers. Anyone who wished to stay with their company plan could do so. We believe that this system would both broaden coverage and make it more affordable.

Perhaps last but not least, the fact that Wyden-Bennett would eliminate the federal
income tax exclusion on health insurance
could also doom its passage. Obama can keep
his promise not to tax health benefits and still
redistribute the existing $250 billion in annual
federal tax expenditure for employer-spon-
sored insurance. No Democrat has ever voted,
or would ever vote, for today's system that fa-
vors the highest-paid employees of the largest
firms. And tax reforms benefitting all Ameri-
cans will gain Republican support for reform.
In the final analysis, Wyden-Bennett does
not claim to be a finished work, only a begin-
ning. The ultimate reason for immediate re-
form is the fact that the White House and
Congress really have no choice. We have the
worst of both worlds: shrinking coverage at
ever-growing cost. Medicare and Medicaid are
either overpromised or underfunded by
roughly $60 trillion (in present-value terms),
posing a grave threat to both programs as well
as to our national finances. These two pro-
grams alone are projected to cause the down-
grade of the U.S. Treasury bond itself by 2012
or sooner. That, of course, is the year that
Obama will be running for reelection.
Barack Obama will not be able to win re-
election on a platform of having presided over
the destruction of America's credit rating.
Members on both sides of the aisle have a need
to meet public expectations for action in part
because Congress is so unpopular. Democratic
control of the executive and legislative
branches means that Democrats have a re-
sponsibility to lead, but not to overreach. Like-
wise, Republicans must do much more than
obstruct. After decades of frustration and dis-
appointment, we must set aside our differ-
ences and enable the United States to join the
ranks of developed nations by making sure ev-
ery American has health insurance. Passing a
truly comprehensive health reform bill must
happen as soon as possible to give the nation,
and its incoming president, a fighting chance.
NOTES
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