

Republican-led Congress Will Take A New Approach to Healthcare Reform

BY JANE H. WHITE

What message are we to glean from the American people on healthcare reform, given the new leaders they have sent to Washington? And what do voters really want?

This column presents the results of several election surveys, with a particular emphasis on the role healthcare reform played. I also take an early look at what a Republican-led Congress may mean for healthcare reform.

DETERMINING FACTORS IN THE '94 VOTE

An election-night survey by the Henry J. Kaiser Family Foundation and Harvard University found that even though voters rejected a major healthcare system overhaul, they still were concerned about healthcare reform.¹ The Kaiser-Harvard random national survey of 1,200 voters, conducted by KRC Communications Research, found that 41 percent wanted Congress to make modest changes in the healthcare system, compared with 25 percent who still favored enacting a major reform bill and 25 percent who said Congress should leave the healthcare system alone. Yet, when voters were asked what was the "most important issue in deciding the 1994 U.S. House vote," healthcare led with 33 percent, followed by crime (29 percent) and taxes (23 percent). An election survey by Voter News Service agreed with the Kaiser-Harvard survey on the ranking of issues, with healthcare first and crime second.

In a press release, Harvard University's Robert Blendon interpreted the seemingly contradictory Kaiser-Harvard survey results: "These results say that voters want the new Congress to place healthcare high on their legislative agenda. But what the public means by health reform now comes closest to a more moderate vision: one which is more limited in scope, incremental, and that involves a much more limited role for government."

A 1994 exit poll conducted by Mitofsky International of New York, however, placed



Ms. White is executive editor, Health Affairs.

healthcare somewhat lower as an issue that mattered to voters in their decision on U.S. House candidates.² This national exit poll of 5,260 randomly selected voters found that crime mattered most (38 percent of voters), followed by economy and jobs (27 percent), with a tie for third between healthcare and taxes (22 percent each).

The exit poll also asked voters what two overall factors mattered most in deciding their vote for the U.S. House. The results temper the seemingly high interest in healthcare reform. Voters said the most important factors were the candidate's experience (31 percent), character and ethics (25 percent), and political party (22 percent). In fourth place on the list was the candidate's stand on national issues (20 percent).

Kaiser Family Foundation President Drew Altman said in a conversation that "this was not an election which was about issues. It was about anger about government and frustration with Washington." Healthcare, he added, "was a major factor in the election, but as a symbolic issue. Nobody voted because of their position on healthcare reform."

VOTERS' MESSAGE ON HEALTHCARE REFORM

Not a Major Overhaul The Kaiser-Harvard survey attempts to decipher what the voters now want on healthcare reform. The survey found nearly a third of voters (31 percent) less supportive of major reform than they were six months ago. The top reasons? The vast majority fear "government wouldn't do it right" (49 percent). Other voters fear "the reform alternatives were worse than the way the system is now" (19 percent) and "healthcare reform is too expensive" (10 percent). The survey did find that 43 percent of voters have not changed their support for major healthcare reform, and 18 percent are now *more* supportive of major reform, compared with six months ago.

Altman interprets these results to mean voters have "no big new mandate for health reform. And I doubt elected officials will be punished if they don't [do anything]. But there is still an

opportunity to get a lot of credit if they move forward with the kind of plan people seem to want—a plan that is more incremental and more in keeping with what the Republicans and mainstream coalition proposed last year.

Not Government Run Americans seem to have changed their minds about government and healthcare. The Kaiser-Harvard survey found that 55 percent of voters thought it would be better to have the health insurance system run by private insurance companies rather than government; only 24 percent said government would do the job better. In comparison, a March 1993 Martilla & Kiley-Harvard-Robert Wood Johnson survey found that 41 percent of adults surveyed favored a government-run health insurance system, just edging out support for private insurance companies (39 percent).³

President Clinton, in his postelection press conference on November 9, seemed to recognize the voters' mood and took pains to distance himself from more government in healthcare: "I will concede that by the time the folks who were characterizing our program had finished with it . . . it looked like a government program designed to solve the problem by restricting the choices of the American people and injecting the government more into healthcare. That is not what I want to do."

Let States Lead Another change from previous surveys, according to the 1994 Kaiser-Harvard poll, is that voters want changes in the healthcare system to be led by state governments (54 percent) rather than the federal government (32 percent). A number of state leaders are eager to focus on state-level reform experiments and shift the attention away from the protracted federal debate.

One such group is the Reforming States Group, a bipartisan coalition of state-elected officials and health policymakers. According to Charlene Rydell, who chaired the group and was a member of the Maine House of Representatives:

The 1994 health care reform debate clearly demonstrated two important realities of policy development in the United States. First, no collective agreement exists at the national level on what plan or what system would best reach the dual goals of controlling costs and assuring universal access and coverage. Second, it was state-level action that brought the debate to the forefront nationally, and any solution must be framed within the context of our federalist system of government.⁴

*Americans
seem to have
changed their
minds about
government
and
healthcare.*

Split Message on Universal Coverage Voters were split on what Congress should do about health insurance coverage. In the Kaiser-Harvard survey, 38 percent said Congress should "guarantee health insurance coverage for all Americans," while 36 percent said it should "make a start by covering some groups who do not have health insurance." And 20 percent said Congress should not try to ensure that more people have health insurance. Yet in response to another survey question, 51 percent of voters said they "would personally be willing to pay more, either in higher health insurance premiums or higher taxes," to guarantee health insurance coverage for all Americans; 39 percent would not be willing to do so.

These mixed messages voters send on healthcare reform can lead policymakers down the wrong path, as Clinton and congressional Democrats learned November 8. At a November 17 debate at the Institute of Medicine (IOM), Princeton University economist Uwe Reinhardt told the crowd of Washington health policy movers and shakers that in his view the American voters will not decide the healthcare reform issue. "What this fight [over healthcare reform] was really about was an argument among the elite about where on this political spectrum we should position American healthcare. . . . This country is run by the elite. The elite settle things among themselves. The only reason I think America is a great country is that it has a great elite."

University of Pennsylvania economist Mark Pauly, who debated Reinhardt at the IOM, disagreed. "To get anything done in a democracy, middle-income people have to be in favor of it. Middle-income people are the tiebreakers [because] they have to pay the lion's share of the cost," he said.

Pauly suggested, "One possible solution is to face reality and to give up on the desire to subsidize the lower-income uninsured. I think we probably do have enough money in the system to subsidize the poor."

A second option, said Pauly, is to "persuade the middle class that there are sufficient, non-selfish, altruistic benefits to themselves to covering the uninsured to make it worth their while. On this Sen. Kennedy and I agree. We . . . upper middle-income people, ought to pay for universal coverage because it's morally right. What we get is a clean conscience. And \$1,000 in extra taxes is not that much to pay for a clean conscience. Now I can convince myself of that, but how do I convince my neighbors?"

Reinhardt was less optimistic: "I believe the incremental insurance reform that was always talked about by the centrists and the Republicans,

if you actually look it in the face, is going to be more complicated than they thought. There will be major resistance from the insurers. I would not recommend going down that route." When pressed for an option, he suggested, "I personally would prefer a children's insurance policy where the child is insured and not the family, particularly since we no longer know what a family is."

Voters in the Kaiser-Harvard survey agreed: Forty percent said if we cannot provide health insurance to all, children should be covered first, followed by working people who are currently uninsured (24 percent). On this, both sides agreed; whether respondents voted for a Republican or a Democrat in the House, they placed children first on the list.

REPUBLICANS AND HEALTHCARE REFORM

So what direction can we expect the Republican-led Congress to take on healthcare reform? Although it is still too early to predict specifics, Project HOPE senior fellow Gail Wilensky—an informal healthcare adviser to congressional Republicans and former domestic policy adviser in the Bush White House—offered her thoughts in a postelection interview.

Wilensky believes congressional Republicans are "very serious about a healthcare reform proposal, though one more limited for financial reasons and political convictions." Even though healthcare is not mentioned in the House Republicans' Contract with America and received little mention on the campaign trail, she said she sees "no indication that they will stall on healthcare—I'm not hearing that from any of the senior staff or members I speak with." The reason it is not listed in the first set of Republican agenda items is "because it is more difficult" to address, and Republican members of Congress wanted to go for some quick hits right off the bat.

Wilensky predicted that Republican policymakers will work on a "series of targeted reforms, not sweeping," and will probably review and revise some of the legislation they presented last year. She faulted the Democrats on their "disdain toward incrementalism" as one of the key reasons for the stalemate on healthcare reform. She said she placed the blame of "not being willing to fight for what one can get more on the administration rather than on Congress," however.

Another lesson she sees for Republicans on healthcare reform is to "count noses" when it comes time for a vote. "It was an unbelievably naive approach at passing legislation that [the Democrats] thought the public would rise up and demand this legislation," rather than making sure all the votes were there.

Forty percent of those polled by the Kaiser-Harvard survey said children should be covered first.

Wilensky pointed out that divisions exist among both Republicans and Democrats on healthcare; however, she believes "it may be easier for Republicans to get together." William J. Cox, vice president of the Catholic Health Association's (CHA's) Division of Government Services, disagreed. "I think it's highly doubtful that the Republicans will do anything within the first 100 days on healthcare reform," he said in a conversation. "After 100 days, we're into the beginning of the 1996 presidential election, and there's not going to be a political desire to collaborate on anything, especially on healthcare reform. I don't think Republicans would want to hand Bill Clinton something that will make him look good."

Some areas the Republicans may examine, predicted Cox, are tort reform, medical savings accounts, and financial incentives for Medicare to move more toward managed care. Important issues for CHA to watch and address with the new Congress, according to Cox, will include:

- The level of Medicare/Medicaid cuts to finance tax reduction and deficit reduction
- The effect welfare reform will have on Medicaid eligibility and a possible increase in the number of uninsured persons
- The future of not-for-profit delivery systems and tax-exempt status

Whatever direction the Republican-led Congress takes on healthcare reform, one thing is clear: The context of the reform debate in Congress will be shaped by a whole new set of players.

Key Republicans to watch in the House on healthcare will be William M. Thomas, CA; Bill Archer, TX; Thomas J. Bliley, VA; Newt Gingrich, GA; Richard K. Armey, TX; and Nancy Johnson, CT. On the Senate side, Republican players will be Robert Dole, KS; Bob Packwood, OR; Nancy Kassebaum, KS; and Pete V. Dominici, NM, according to Wilensky. Now it is time to see whether these new leaders can meet the challenge of making the healthcare system something the American people want. □

NOTES

1. Henry J. Kaiser Family Foundation, Harvard University, KRC Communications Research, "National Election Night Survey," November 15, 1994.
2. "Profile of the '94 Voter," *Washington Post*, November 10, 1994, p. A33.
3. Kaiser, Harvard, KRC.
4. Charlene Rydell for the Reforming States Group, "An Agenda for Federalism from State Leaders," *Health Affairs*, Winter 1994.