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First Annual Congressional Quarterly HealthBeat Conference

USA

MICHAL MACHNOWSKI

March 9th, 2010

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Ronald Reagan Building and International Trade Center

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Washington, D.C.

Senator Tom Harkin (D-IA) Chairman of the Senate Health, Education, Labor and Pensions Committee

Opening Statements:

Senator Harkin opened the conference by stating that the legislative mechanics for passing healthcare reform are currently the primary concerns of Congressional Democrats. He was responding to the recent criticism by opponents of the healthcare reform legislation, who have repeatedly stated that the Democrats are just trying to ram the bill through congress without taking into account the concerns of the people.

Senator Harkin responded by stating that the current text of the healthcare reform legislation was agreed to in the Senate by a 60-vote majority. Therefore, according to Senator Harkin, the usage of words such as 'rammed' or 'jammed' are just political attacks used to discredit the Democrats and the legislative process.

Senate Democrats want the House of Representatives to send President Obama a nearly \$1 trillion healthcare reform bill that the Senate approved last December. At about the same time, both chambers would send him a second, narrower measure making changes Democrats want in the first bill, like removing federal Medicaid aid solely for Nebraska. That second measure would be the reconciliation bill, which would be used as a corrective measure that would update certain aspects of the current healthcare legislation to fall more in line with President Obama's guidelines.

Democrats have 59 Senate votes, and all Republicans are expected to vote "no." Senate Majority Leader Harry Reid, D-Nev., would be able to let nine nervous Democrats oppose the bill and still get the 50 votes he'd need to win, with the tie broken by Vice President Joe Biden.

Regarding reconciliation, or more commonly known as the 'nuclear option', Senator Har-

kin noted that Congressional Republicans, under President George W. Bush, used the reconciliation process twice to pass the so-called 'Bush Tax Cuts'. Senator Harkin also mentioned that President Reagan used the reconciliation process to enact COBRA legislation (health insurance for the unemployed). Senator Harkin mentioned that it was very deceitful of Republicans to use terms such as 'nuclear option' when referring to the parliamentary tactic used by both parties in the past. He was adamant about the fact that it was the responsibility of the democrats to govern, and he spoke strongly about the fact that Republicans fear the success of the legislation, and that the only vulnerable individuals will be the politicians who voted or will vote against the healthcare reform package.

Senator Harkin spoke on the need and importance of bending the cost curve. He mentioned a recent Congressional Budget Office report that estimated that the current healthcare bill would reduce the U.S deficit by \$1 trillion dollars over a 20 year span.

After mentioning a legislative deadline of March 27th, Senator Harkin concluded his remarks by stating that the current bill will continue to get amended, and that while imperfect, it will serve as a stable foundation on which future legislation could be built upon.

Super Session--Healthcare Reform--Where Do We Go From Here?

This session examined the current state of healthcare reform, including the likely path of legislation, including reconciliation. The discussion described the comprehensive and incremental steps to reform (expressed earlier by Senator Harkin) as well as who the perceived winners and losers are at this

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point of the debate, and what were the lessons learned so far.

Panelists:

Dan Boston, Health Policy Source

David Bowen, Senate Health, Education, Labor and Pensions Committee

Chris Condeluci, Senate Finance Committee

Liz Fowler, Senate Finance Committee

John O'Brien, University of Massachusetts Memorial Health Care

Ron Pollack, Families USA

Robert Reischauer, Urban Institute

Michael Tuffin, America's Health Insurance Plans

Overview: The panelists debated whether passage of the current Senate bill by the House is better than non-passage. David Boston mentioned that the public opinion for healthcare reform has been set, and now it's up to President Obama to set up the policies and ensure that they are implemented well.

Regarding implementation, Ron Pollack stated that it would mostly be done at the state level, making certain that the uninsured become enrolled through the creation of health co-operatives. Additionally, he mentioned that this bill was an all or nothing deal. There would be no starting over, and that while the bill carries a high price tag, the cost of doing nothing was higher still.

Robert Reischauer stated that if the current Senate bill does not pass out of the House, than healthcare reform will be a dead legislative issue. However, he mentioned that if it does pass, than actual implementation will create burdens. For instance, he mentioned the technological challenges of enrolling an additional 30 million people into a healthcare plan, as well as the political challenges that would come along with such an enrollment. Because the bill would not go into effect until 2014, there would be plenty of time to build doubt and uncertainty about the structure and effectiveness of the bill. The public would have lots of expectations that may not be realized and even possible adverse effects, such as private insurers raising premiums in anticipation of expanded coverage.

Mr. Reischauer also mentioned the concerns that stand in the way of fiscal stabilization in the bill: will the Medicare cuts be sustain-

able? Will the projects in the bill bear fruit? Will a 'Cadillac Plan Tax' lead to unforeseen concerns? And, would the new structure offer a new platform for the building or integration of a real cost control apparatus.

Michal Tuffin agreed with this premise and mentioned that convincing the public of the benefits of the bill is problematic and will continue to stay so even if the bill does pass.

Breakout Session--The Politics of Healthcare Reform

This session examined the political climate surrounding healthcare legislation. The panelists discussed the recent election and how it changed the healthcare debate and what impact the mid-term elections would have in shaping the legislation.

Panelists:

Bob Benson, CQ-Roll Call Group

Carroll Doherty, Pew Research Center for the People and the Press

Ron Faucheux, Clarus Research

Stan Greenberg, Greenberg Quinlan Rosner

Bill McInturff, Public Opinion Strategies

Overview: The panel discussed the benefits of healthcare reform politically. Stan Greenburg mentioned that the President has gotten very involved recently, and that the Republicans will face consequences for stalling the legislative process. He mentioned how it will become the strategy of the Republican Party to run on repealing the healthcare reform legislation (if it passes) in the 2010 midterm elections. While there is no certainty of the benefits to come from the bill, the Democrats will at least have the benefit of an accomplished bill (again, if it passes). During the 2006 and 2008 elections, most Democrats ran on making big sweeping changes to the healthcare system. Now, they will have to defend their positions. For some, voting in favor of the bill could cost them their seat in Congress, come the 2010 midterm elections.

Bill McInturff mentioned that the Democrats are now in a tough fix due to the process. News of a 'Louisiana Purchase' or the 'Cornhusker Kickback' (both instances where individual members of the Senate were promised incentives that other states would not receive, in order to have the senators from the incentivized states vote in favor of

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reform,)have left constituents dissatisfied with the overall legislative process.

Several panelists mentioned that the most recent polls for the healthcare reform proposal have been going up. Several mentioned the fact that if the bill does pass, there will be numerous uncertainties, including whether it would continue to trend well in the eyes of the public and what would happen if costs went up unexpectedly?

Carroll Doherty mentioned that the depth of the current frustrations held by the average American are profound and will continue to increase if the bill passes. He also touched on the fact that despite the clear divide between Republicans and Democrats on ideology, both party leaders are unpopular with the public mainly due to how they handled the debate, or lack thereof.

Tea Party Influence: The panelists also mentioned the involvement of the Tea Party and its effect on the debate, with most agreeing that the enthusiasm gap favors the Republican Party, but no one was sure if this trend would continue. Voters have been driven by rejection politics for the last twenty years and not based on agenda politics, with the Tea Party voters being the most vocal expression of rejection politics.

Representative Charles Boustany (R-LA) U.S. House of Representatives

Closing Statements

Representative Boustany, a cardiovascular surgeon, spoke on the complications that arise when seeking to decrease costs while increasing coverage. Representative Boustany framed it as a Cost or Coverage argument, stating that the only way true healthcare reform would succeed was if Congress found a way to tackle the high cost and low quality aspect so that access to healthcare became meaningful.

Representative Boustany mentioned that a key issue holding up true healthcare reform was the high cost of premiums. He described his frustration with the lack of competition among insurance providers, and provided examples of ways to clear these hurdles. One example that Representative Boustany used was the idea of creating pooling mechanism for high risk individuals and the elderly as well as allowing folks to buy health insurance across state lines.

Another concern mentioned by Representative Boustany was the high cost of technology, mostly due to cost of research and development. The solution, according to Representative Boustany, was to use cost effective research mechanisms. An example was the use of MRI and CAT scan machines in

Japan. Due to a low or almost non-existent subsidy, the healthcare industry had to innovate in order to reduce costs. Therefore, Japan invested in MRI and CAT scan technology that reduced the overall price of such services because of increased use of innovation, technology and reduced usage rates (due to high costs). A concern that Representative Boustany had was that in the U.S., the current healthcare system is structured in such a way that innovation is almost non-existent for fear of being sued if an experimental procedure goes wrong.

Representative Boustany also mentioned the importance of the doctor/patient relationship and how this can affect the increase or reduction of healthcare costs. Specifically, Representative Boustany stated that doctors and patients need to have a personal stake in the prevention aspect of disease. A doctor must make sure to incentivize a patient to follow up on his recommendations, or else the patient will just be back again, seeking another round of treatments without actually taking preventive steps in order not to have to receive anymore treatments (i.e., smoking and obesity issues).

Legal impediments were also mentioned by Representative Boustany as a source of high healthcare costs. For example, legal impediments might restrict a doctor's ability to bring costs down while maintaining effective treatment. The weight of legal repercussions weigh heavily on the minds of doctors, who know that certain procedures may not be necessary,--but order them done anyways as a way of securing themselves from liability lawsuits. Additionally, Representative Boustany mentioned that coordinating care between physicians needs proper incentives and safeguards. Finally, Representative Boustany mentioned the need for the Internal Revenue Service to clarify certain designations, such as how non-profit hospitals can work with for profit doctors, and what this means for overall costs to the patient.

Representative Boustany concluded his remarks by underlining the need to increase information sharing between doctors and hospitals, as well as the need for increased efficiency when it comes to diagnosing patients. These two measures would do much to reduce the increasing costs of healthcare in America.