

Future of health care reform as seen through a cloudy crystal ball

The \$700 billion bailout of our financial system shows that if a crisis is severe enough, we summon the political will to act. If we imagine the financial system's

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crisis as a burst pipe, we can see why. When a pipe bursts, we have to do something; ignoring it simply isn't an option.

The health care system's crisis is more like a leaky pipe. We notice it, worry about it, and certainly have many different ideas about how to fix it. But unlike the dramatically burst pipe, the leaky pipe has a quieter and more cumulative effect that doesn't feel quite as urgent. This is misleading, because health care is indeed a very broken system — as millions of Americans can and will tell you.

As a veteran of both state and federal health-care reform efforts, I see several major roadblocks that prevent us, as a nation, from fixing our leaky health care pipe.

■ Politics and ideology are obstacles. There's plenty of pressure for reform from many different quarters, but little consensus about the right approach (even among members of the same party).

■ Reform isn't cheap. President-elect Obama's plan would rely on a combination of expiring tax cuts and savings generated by changes in the health-care system itself, such as greater adoption of health information technology and better coordination and management of chronic illnesses. These savings may or may not materialize — and

they would be competing for scarce resources with many other priorities.

■ The new administration's agenda is already crowded. The economy, wars in Iraq and Afghanistan, energy independence — each of these would be consuming in its own right, and health care reform has to elbow its way to a place at the table.

■ Other health care issues may come first. Expanding the state children's health insurance program (SCHIP) and addressing physician payment issues are unresolved debates — with perhaps mutually exclusive solutions — that may take precedence over broader health-care reform. In addition, any reform plan needs to balance expansion of insurance coverage with decreasing costs

and improving outcomes.

One option for responding to these roadblocks is framing health care as an economic security issue, tied to bills that simultaneously tackle economic stimulus packages, jobs, and energy. This would require President-elect Obama to gamble a great deal of political capital on a risky Great Society move, but it could happen. And indeed, some of Obama's new economic advisors rightly argue that we can't afford not to reform our health-care system. Our economy's long-term viability depends on getting health-care costs under control in the next 10 years. A less risky scenario would involve the pursuit of smaller, incremental steps (such as funding SCHIP and health information technology),

without taking on the hazards and potential downsides of a larger-scale effort. Between the all-out Great Society gambit and smaller, safer moves would be a universal coverage approach that would begin immediately, but would take time to build bipartisan support and iron out details. This option, while plausible, involves some delicate timing between the 2010 congressional elections and, soon on its heels, the 2012 presidential election.

We learned many lessons from the 1992-94 health care reform efforts during the Clinton administration. One of them was the tremendous prominence that presidential interest lends to an issue like health care reform, elevating it in the public consciousness. That could happen again, leading to more pressure — if not more consensus — for reform.

For me, the main lesson is that we need to focus on how completely unacceptable the

status quo of our current health-care system has become. In my days in Washington, I learned quickly that you'll never go broke betting on the status quo.

The challenges are formidable. If national health-care reform drops from the agenda or fails, policymakers might consider following Canada's province-by-province example and continue the state-by-state approach that Massachusetts, Hawaii, California and others already have jump-started. Meanwhile, HIP is one of many groups around the country that aren't waiting for a federal rescue, but are instead developing local solutions to Santa Cruz County's health care challenges. For now, that's where real tangible progress can be found.

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