

1-1-1993

# The Illogic of Health Care Reform: Policy Dilemmas for the 1990s

Robert B. Hackey

Follow this and additional works at: [http://digitalcommons.providence.edu/health\\_policy\\_fac](http://digitalcommons.providence.edu/health_policy_fac)



Part of the [Health Policy Commons](#)

---

Hackey, Robert B., "The Illogic of Health Care Reform: Policy Dilemmas for the 1990s" (1993). *Health Policy and Management Faculty Publications*. Paper 7.

[http://digitalcommons.providence.edu/health\\_policy\\_fac/7](http://digitalcommons.providence.edu/health_policy_fac/7)

This Article is brought to you for free and open access by the Health Policy and Management at DigitalCommons@Providence. It has been accepted for inclusion in Health Policy and Management Faculty Publications by an authorized administrator of DigitalCommons@Providence. For more information, please contact [mcaprio1@providence.edu](mailto:mcaprio1@providence.edu).

**The Illogic of Health Care Reform:  
Policy Dilemmas for the 1990s**

**Robert B. Hackey**

Assistant Professor  
Department of Political Science  
University of Massachusetts, Dartmouth  
North Dartmouth, MA 02747

A new consensus has emerged among health policy analysts, political pundits, and elected officials in recent years over the prospects for national health care reform. Abandoning traditional notions of American exceptionalism, the leading journals in the medical profession now hail the dawn of a new era in health policy making. Not since the 1970s, pundits argue, has the United States been presented with such an auspicious opportunity to enact a universal health insurance system. Indeed, a quick perusal of recent writings in both the medical community and the popular press would most likely convince persons unfamiliar with the vagaries of the American political process that the enactment of a comprehensive national health insurance is almost a foregone conclusion over the next decade. As the *Journal of the American Medical Association* editorialized in 1991:

If the Iron Curtain can be lifted, the Warsaw Pact dissolved, and East and West Germany politically reunited, all quite rapidly, because it was the right thing to do and the time had come -- surely we in this rich and successful country can manage to provide basic medical care because it too is the right thing to do, and the time has come ... An aura of inevitability is upon us.<sup>1</sup>

This new optimism is especially startling because it clashes with more traditional explanations of health care politics, which sought to account for the *absence* of national health insurance in the United States. Comparative studies of welfare states typically account for the reluctance of the United States to embrace

---

<sup>1</sup> George D. Lundberg, "National health care reform: An aura of inevitability is upon us," *Journal of the American Medical Association* 265 (1991), pp. 2566-67.

universal health care in terms of "American exceptionalism."<sup>2</sup> In this view, America's unwillingness to enact national health insurance can be traced to the peculiar historical and structural features of U.S. political institutions and a deep seated hostility towards "big government."<sup>3</sup> While Paul Starr argues that the absence of a strong socialist movement and the conservative agenda of the American labor movement limited the appeal of universal health insurance at the turn of the century, health care reform efforts also succumbed to the traditional weakness and fragmentation of the American state.<sup>4</sup> In the absence of strong bureaucratic leadership or unified party control, health care reform fell victim to the organized opposition of the medical profession. Intertwined with these institutional explanations of American exceptionalism are arguments which identify the persistence of a highly individualistic political culture that

---

<sup>2</sup> Peter Flora and Arnold Heidenheimer, *The Development of Welfare States in Europe and North America* (Transaction Publishers, 1981); Margaret Weir, Ann Shola Orloff, and Theda Skocpol, *The Politics of Social Policy in the United States* (Princeton, NJ: Princeton University Press, 1988).

<sup>3</sup> As James A. Morone argues in *The Democratic Wish* (New York: Basic Books, 1990), the unwieldy combination of Americans' traditional distrust of government and a recurring faith in the ability of scientific expertise seen in reform proposals from the progressive era to the Great Society results in an incoherent approach to policymaking which creates new institutional structures to meet each problem, yet fails to invest policymakers with adequate authority. See also Samuel Huntington's excellent discussion of American political culture's role in shaping policy choices in *American Politics: The Promise of Disharmony* (Cambridge, MA: Harvard University Press, 1981).

<sup>4</sup> Paul Starr, *The Social Transformation of American Medicine* (New York: Basic Books, 1982).

emphasizes self-reliance, hard work, and a suspicion of government as a principal obstacle to comprehensive health care reform.<sup>5</sup>

As Victor Fuchs argues, the absence of national health insurance in the United States is understandable given Americans' traditional distrust of government, the heterogeneity of the US population, a long standing commitment to voluntarism and philanthropy, and the lack of a strong sense of "noblesse oblige."<sup>6</sup> Insulated from the true cost of medical care by private, employer-sponsored health insurance plans, the middle class has remained on the sidelines of debates over national health insurance since the 1950s. Although the inability of traditional voluntary solutions (e.g., Blue Cross plans, business health care coalitions) to cope with declining access to health services and rampant cost inflation seemingly favors reform, cultural barriers to reform remain. However, if Fuchs is correct, why do an increasing number of politicians and pundits now proclaim that a "window of opportunity" has opened to enact national health insurance in the 1990s?

---

<sup>5</sup> Seymour Lipset, *Continental Divide* (Routledge, 1990); Steven E. Bennett and Linda Bennett, *Living with Leviathan* (Topeka: University Press of Kansas, 1990). Paul M. Sniderman and Michael Hagen provide an excellent discussion of the impact of individualism and moralism on public attitudes in *Race and Inequality* (Chatham, NJ: Chatham House, 1985)..

<sup>6</sup> Victor Fuchs, "National Health Insurance Revisited," *Health Affairs*, 10 (Winter 1991), pp. 14-16. The classic account of American political culture and public policy making, however, appears in Louis Hartz, *The Liberal Tradition in America* (New York: Harcourt, Brace, 1955). For a more contemporary discussion of US political culture, see Seymour M. Lipset's analysis of the impact of political culture on public policy in the United States and Canada in *Continental Divide* (New York: Routledge, 1990).

*Sources of the new optimism*

Several recurring themes have redefined the conventional wisdom about the prospects of health care reform. First, and perhaps foremost, is the belief that public dissatisfaction with the existing health care system has broken down traditional barriers which sidelined past reform efforts. In particular, continued health care inflation, a rising number of persons without health insurance, growing frustrations with the "job lock" associated with employer-sponsored health insurance, and new constraints on patient choice as more Americans enroll in "managed care" plans have fueled dissatisfaction among providers and consumers of health services alike. As a recent article in *The Nation* argued, What makes this moment more pregnant with possibilities than other times in the history of the struggle for health care is that it no longer involves only the needs of the poor. As elections from Bernie Sanders' notable victory for Vermont's only Congressional seat in 1990 to Pennsylvania Senator Harris Wofford's recent come-from-behind victory ... have shown, health care is a winning issue in middle class constituencies.<sup>7</sup>

These sentiments were echoed in numerous popular journals and newspapers in the wake of the "political earthquake" triggered by Pennsylvania 1991 Senate race, where exit polls found that 50% of respondents cited national

---

<sup>7</sup> Andrew Kopkind, "Seizing the historic moment," *The Nation*, 253 (December 16, 1991) pp. 768-71. For additional examples, see Robert Pear, "Election puts spotlight on health care," *The New York Times*, 141, (November 12, 1991), pp. A7, A20; [editorial], "Ringling: The Health Care Alarm," *The New York Times* (November 8, 1991), p. A14.

health insurance as one of the two most important issues affecting their vote.<sup>8</sup> If correct, the consolidation of public support for national health insurance could prove to be decisive, finally making universal access to health care a "middle class issue" with broad popular appeal.

The populist appeal of health care reform also played a prominent role in the 1992 presidential campaign, as both Democratic and Republican candidates wooed voters with a variety of reform proposals. The appointment of former Wofford campaign manager James Carville as the principal strategist for the Clinton campaign ensured that health care reform would become one of the Democrats' principal policy themes during the fall campaign. Indeed, health care reform received more media attention during the 1992 presidential campaign than at any time since the early 1970s. After watching each of the contenders for the Democratic nomination exchanged salvos over the merits of various health care reform proposals during the spring and summer, popular support for expanded access to health care and government efforts to control rising health care costs increased steadily, prompting many pollsters to argue that health care had become one of the most important issues for voters in evaluating candidates. In this context, many observers interpreted the election of Bill Clinton as a significant opportunity for health care reform. In sum, a growing number of elected officials, physicians, hospital executives now share the view that "the election of a new president amid a sense of a health care crisis and high hopes for

---

<sup>8</sup> Janice Castro, "Paging Dr. Clinton," *Time* (January 18, 1993), p. 24; Paula Dwyer, "A roar of discontent: voters want health care reform -- now," *Business Week* (November 25, 1991), p. 29.

change has created the best opportunity for fundamental reform during the last quarter century."<sup>9</sup>

This optimistic assessment was also shared by the Democratic leadership in the 103rd Congress. As Senate Majority Leader George Mitchell (D, ME) confidently proclaimed after the election, "I believe that we [will] in this Congress enact comprehensive health care reform."<sup>10</sup> This view was echoed by Sen. Jay Rockefeller (D, WV), who claimed that "Bill Clinton was elected to enact comprehensive health care reform." In the House, Rep. Henry Waxman, (D, CA) asserted that "President Clinton's election represents a mandate to carry out his commitment for universal coverage and effective cost containment."<sup>11</sup> Thus, in the eyes of many of the principal players in Congress, the election of a Democratic president and the end of divided government suggested that the "aura of inevitability" that began in the late 1980s would finally yield action in the Democratically controlled 103rd Congress.

---

<sup>9</sup> Philip Caper, "Managed Competition that Works," *Journal of the American Medical Association* 269: 2524-26. As one senior policymaker with the American Hospital Association argued, "Not since the enactment of Medicare and Medicaid has the political process been so ripe for decisive action on health care." Quoted in Christine McEntee, "Clinton's Next Move: Scoping Out the White House on Health Care Reform," *Hospitals* (January 20, 1993), p. 23.

<sup>10</sup> Julie Rovner, "Clinton has Rx for Reform--Will Congress Take the Cure?," *Congressional Quarterly Weekly Report* (November 28, 1992), pp. 3714.

<sup>11</sup> Both quotations are drawn from Marybeth Burke, "Thirteen Views from the Hill," *Hospitals* (January 20, 1993), pp. 16-20.

Second, reformers contend that growing public dissatisfaction with the existing health care system has found a receptive audience in Congress, where increased public cynicism and hostility towards the institution have made members increasingly attentive to their constituents' concerns. On the surface, Congressional support for health care reform is fast approaching a critical mass; strong endorsements from the Democratic leadership and influential Republican members in both chambers promises to break the legislative gridlock which has frustrated action on a national urban policy, deficit reduction, and other domestic policy problems in recent years.<sup>12</sup> Indeed, Mark Peterson described the proliferation of health care reform proposals from the end of the 101st Congress through the 102nd Congress as "a gathering social movement." In years to come, Peterson suggests that the "first session of the 102nd Congress may well be remembered as the foundation year when the movement towards comprehensive health care reform began in earnest, possibly when the impetus for change became irresistible." This optimistic appraisal also reflects the emergence of a broad-based coalition for health care reform in recent years, as many members not sitting on committees with jurisdiction over the financing

---

<sup>12</sup> Senate Majority Leader George Mitchell declared health care reform his most important priority following the passage of the Clean Air Act in 1990, while House Ways and Means Chairman Dan Rostenkowski devoted the committee's 1990 annual retreat to health care reform proposals. Previous committee retreats yielded the tax reform act of 1986 and the welfare reform package. Support for reform in the 102nd Congress was also bipartisan, with more than 20 different proposals introduced by Democrats and Republicans.

and delivery of health care (e.g., Sen. Robert Kerrey, D, NE) have become active participants in the quest for reform.<sup>13</sup>

Third, many supporters of comprehensive health care reform often assume, either implicitly or explicitly, that the return of national health insurance to the political agenda is proof of its political feasibility. A crisis mentality has characterized health care debates in recent years, replete with predictions that the US health care system is "ailing," "bordering on collapse," or "poised on the verge of a ... meltdown."<sup>14</sup> Reports of an imminent catastrophe in the US health care system have been popularized by both the print and broadcast media brought the news of an emerging "crisis" in the nation's health care system home to millions of Americans and raised the consciousness of elected officials.<sup>15</sup> Rep. Ron Wyden (D, SD) summed up the views of many of his colleagues when he

---

<sup>13</sup> Mark Peterson, "Momentum Towards Health Care Reform in the U.S. Senate," *Journal of Health Politics, Policy, and Law* 17: 553-75.

<sup>14</sup> George D. Lundberg, "National health care reform: The aura of inevitability intensifies," *Journal of the American Medical Association* 267 (1992), p. 2524.

<sup>15</sup> The Gallup Organization's sixth annual California Health Care Poll in October 1992 found that "82 percent of Californians agreed that there is a health care crisis, 87 percent said they believed the health care system needs reform, and 76 percent are worried about affordability in the future," Mark Hagland, "Experts Agree on this: It was a Banner Year for Health Care Polls," *Hospitals* (December 20, 1992), pp. 32-33. Reports of an impending health care crisis have appeared with regularity in newspapers and weekly news magazines in recent years. See, among others, Joyce Castro, "Condition Critical," *Time* (November 25, 1991), pp. 34-42; Susan Dentzer, "How to Fight Killer Health Costs," *US News and World Report*, 111, (September 23, 1991), p. 50.

argued that rising health care costs are "gobbling up everything in sight. They're a wrecking ball in our economy."<sup>16</sup>

Media portrayals of the health care crisis focus on "scary" numbers, such as millions of Americans without health insurance, health care's rising share of the gross national product, and rapidly rising insurance premiums for middle class families as motivations for policy makers to address health care reform sooner, rather than later. Unlike previous decades, when the nature and magnitude of the health care "problem" was more limited, would be reformers contend that health care's growing share of the gross national product, a growing burden on businesses as a result of employee fringe benefit costs, and consumers' increasing out of pocket costs for health services have pushed elected officials towards a critical "threshold" which could produce dramatic policy change.<sup>17</sup>

Finally, pundits claim that the changing configuration and orientation of interest groups in the health policy arena as evidence have weakened previous obstacles to reform. The American Medical Association (AMA), once a bastion of conservatism widely credited with the defeat of national health insurance proposals in the 1930s and 1940s, has tempered its rhetoric in recent years and is pushing its own reform package. Furthermore, unlike in previous decades, the

---

<sup>16</sup> Burke, "Thirteen Views," p. 18.

<sup>17</sup> As Daniel Patrick Moynihan notes in "Defining Deviancy Down," *The American Scholar* 62 (Winter 1993), pp. 17-30, society's definition of policy problems changes significantly over time. The consequences of the deinstitutionalization movement in mental health policy, growing acceptance of nontraditional family structures, and increased tolerance for violent crime since the 1960s suggest that the growing severity of a policy problem is insufficient to impel corrective public action.

AMA's ability to speak authoritatively on behalf of its members is suspect. Although organizations such as Physicians for a National Health Plan (PNHP) have attracted little support within the medical profession, reformers argue that providers' mounting dissatisfaction with existing methods of payment and their continuing frustration with the "micromanagement" of medical practice by peer review organizations, insurers, and hospital administrators that accompanied federal and state efforts to control health care costs in the 1980s made them more receptive to proposals for systemic reform.<sup>18</sup> In addition, while neither the U.S. Chamber of Commerce nor the National Association of Manufacturers actively campaigned for systemic health care reform during the 1970s, the impact of rising health care costs on American corporations' profitability and global competitiveness, coupled with the growing importance of health care benefits in labor-management negotiations, raised the business community's consciousness about the need for government action.<sup>19</sup> Endorsements for health care reform

---

<sup>18</sup> Physicians for a National Health Plan was supported by more than 3,000 of the American Medical Association's members in 1992. The mere presence of PHNP, however, contrasts starkly with the 1970s, when the Association of American Physicians and Surgeons and the Congress of County Medical Societies both opposed national health insurance reform on the grounds that it would lower the quality of care and exacerbate inflation in the health sector. Although the AMA did not actively oppose reform in this period, its "Medicredit" proposals espoused a voluntary solution which would provide tax credits for individuals to purchase health insurance which provided a minimum set of benefits.

<sup>19</sup> See Uwe Reinhardt, "Health Care Spending and American Competitiveness," *Health Affairs*, 8 (Winter 1989) and Carl J. Schramm, "Living on the Short Side of the Long Run," *Health Affairs* (Spring 1990), pp. 162-64. For a discussion of the increased salience of health care costs in labor-management negotiations,

proposals from such traditional opponents are held up as evidence that the most active and influential members in health policy making circles are now, if not openly supportive of national health insurance, certainly not predisposed to mount a serious challenge to comprehensive reform.

In addition, while providers and payers continue to be over-represented in health policy debates, over the past two decades new advocacy groups changed the character of health politics, resulting in a policy network more open to participation than in the past.<sup>20</sup> By 1993, virtually every organization and interest group with a stake in purchasing or providing health care services had taken a position on health care reform. More than 500 different groups, from lobbyists for the elderly to manufacturers of durable medical equipment and pharmaceuticals besieged Congressional committees and President Clinton's Health Care Reform Task Force with testimony, position papers, and op-ed pieces since November, 1992.<sup>21</sup> In the eyes of would-be reformers, the efforts of Families USA, the American Association of Retired Persons, Public Citizen, Consumers' Union, and a host of other groups, coupled with strong support in Congress and the mass public, have created a political climate more hospitable to

---

see Walter B. Maher, "Back to Marketplace Basics," *Health Affairs*, 9 (Spring 1990), pp. 169-70 and William M. Davis, "Collective Bargaining in 1990: Health Care Cost a Common Issue," *Monthly Labor Review* (January 1990), pp. 3-18.

<sup>20</sup> John Tierney, "Organized Interests in Health Politics and Policymaking," *Medical Care Review*, 44 (Spring 1987), pp. 89-118.

<sup>21</sup> See Peterson, "Momentum Towards Health Care Reform," p. 554, and Alissa Rubin, "Special Interests Stampede to be Heard on Overhaul," *Congressional Quarterly Weekly Report* (May 1, 1993), pp. 1081-84.

comprehensive health care reform than at any point in the recent past . Indeed, even conservatives have accepted the "inevitability" of health care reform. After the 1992 election, conservative political commentator Kevin Phillips argued that "if the White House comes up with something that's well-researched and well presented on the Hill, then it will be passed."<sup>22</sup> As the *Journal of the American Medical Association* (JAMA) editorialized in 1992, "the reality of reform seems assured. The only questions now are what, how much, how soon, how incremental, how complete, how effective, and how long lasting."<sup>23</sup>

*The Political Realities of Health Care Reform*

Upon closer examination, however, the assumptions underlying this optimistic view rest on an untenable logic: trends in public opinion, changes in Congress, and the continued relevance of institutional and ideological obstacles to reform makes significant progress towards enacting national health insurance in the U.S. unlikely in the foreseeable future. Reflecting on past efforts at health care reform is sobering for its prospects in the present. Proposals for national health insurance have appeared and disappeared from the political agenda since the first decades of the twentieth century.<sup>24</sup> Although reform was held to be

---

<sup>22</sup> Quoted in Mark Hagland, Terese Hudson, and Kevin Lumsdon, "Observers See Clinton Moving Quickly on Health Care Reform," *Hospitals* (November 20, 1992), pp. 12-13.

<sup>23</sup> Lundberg, "National health care reform: The aura of inevitability intensifies," p. 2521.

<sup>24</sup> Talk of a health care crisis is one of the perennial themes in American social policy. Indeed, much of the rhetoric from the 1970s could be transported, unaltered, into the current debate. In 1978, Senator Edward Kennedy argued that the health care system was "strained to the breaking point by runaway costs," while House Ways and Means Committee Chair Al Ullmann (D, OR) declared in 1974 that "I am personally

imminent in each era, hindsight confirms the importance of separating political rhetoric from reality. After the first national health insurance proposals were defeated following America's entry into World War I, the issue resurfaced again in the 1930s, the 1940s, and the 1970s. Despite the enthusiasm for reform during the 1970s, efforts to enact a national health insurance program floundered amid concerns over the cost of implementing universal coverage, growing cynicism about government's ability to solve social problems and a corresponding urge to "get government off of the peoples' backs," and the inability of the various supporters of health care reform to agree upon a compromise proposal.<sup>25</sup> As we shall see, these constraints have changed little over the past decade.

*Public support for health care reform.* According to the new conventional wisdom, health care reform, and national health insurance in particular, has become a winning issue with voters. Taken at face value, the surge in support for national health insurance presages the passage of a national health insurance

---

persuaded ... that the Congress can no longer postpone major decisions to assure the availability of health services to all persons in the United States."

<sup>25</sup> John Kingdon, *Agendas, Alternatives, and Public Policies* (Scott Foresman, 1984), p. 9. As Theodore Marmor notes in "American Health Politics, 1970-the Present: Some Comments," *Quarterly Review of Business and Economics* 30 (1990), p. 32, the appearance of Senator Edward Kennedy's book, *In Critical Condition* (New York: Simon and Schuster, 1972) reflected a consensus among policy makers in the early 1970s that the U.S. health care system required fundamental change. However, despite an emerging consensus over the need for reform in the early 1970s, partisan and ideological divisions over the proper form of a national health insurance program and the scope of covered benefits sidetracked reformers' efforts.

program in the not-too-distant future. The electoral appeal of health care reform heralded by many pollsters, pundits, and politicians in the wake of Harris Wofford's surprise win in 1991 and its prominent place in the 1992 presidential campaign, however, is limited. To accurately assess the public's desire for health care reform, we must delve beneath the surface of the poll results, for most analyses of public attitudes towards health care reform share a number of important shortcomings.<sup>26</sup>

First, many observers assume that increased public support for national health insurance will lead to changes in public policies. The effect of public opinion on policy is most evident when the magnitude of the opinion changes are large and move in the same direction over time; policy congruence is highest on those issues which are most salient to the mass public.<sup>27</sup> Herein lies the problem for those who expect public support for national health insurance to propel reform efforts in the years to come, for health care was not cited by Americans as one of the nation's top priorities in recent years.<sup>28</sup> While "health care was an important concern among American voters, ... the economy was the

---

<sup>26</sup> For a comprehensive review of recent public opinion polling data on health care reform, see Robert J. Blendon, Tracey S. Hyams, and John M. Benson, "Bridging the Gap Between Expert and Public Views on Health Care Reform," *Journal of the American Medical Association* 269:2573-78.

<sup>27</sup> See Benjamin I. Page and Robert Y. Shapiro, "Effects of Public Opinion on Policy," *American Political Science Review*, 77 (March 1983), p. 181 and Alan D. Monroe, "Consistency Between Public Preferences and National Policy Decisions," *American Politics Quarterly* 7 (January 1979), pp. 3-19.

<sup>28</sup> Robert Blendon and Karen Donelan, "The Public and the Emerging Debate Over National Health Insurance," *New England Journal of Medicine* 323 (July 19, 1990), p. 209.

dominant issue that determined voting patterns and ultimately the election of Bill Clinton."<sup>29</sup> Indeed, preelection polls conducted during the supposed "surge" in public support for national health care reform in 1991 found that health care trailed behind concerns about the nation's economic performance, the federal budget deficit, unemployment, and drugs as "the most important issue in determining which presidential candidate they intended to vote for."<sup>30</sup> The public's continued concerns about stagnant economic performance are also sobering for health care reformers, for support for new domestic policy initiatives is strongly influenced by citizens' economic expectations.<sup>31</sup> As Durr demonstrates in his analysis of domestic policy sentiment in the postwar era, periods in which the public has a pessimistic view of the economy are associated with conservative policies, while optimistic economic expectations lead to greater support for costly domestic programs and expanded social benefits.

In addition, while policy makers regard health care reform as an essential deficit reduction strategy and as a means to increase national competitiveness and spur economic growth, recent surveys suggest that public concerns about health care, and its support for health care reform stem from different sources.<sup>32</sup>

---

<sup>29</sup> Robert Blendon et al., "The Implications of the 1992 Presidential Election for Health Care Reform," *Journal of the American Medical Association* 268 (December 16, 1992), pp. 3371-75.

<sup>30</sup> *The Gallup Poll Monthly*, 314 (November 1991), p. 8.

<sup>31</sup> Robert H. Durr, "What Moves Policy Sentiment?," *American Political Science Review* 87:158-70. As a result, Durr argues (p. 167) that economic expectations "play a critical role in the opening and closing of the 'policy windows' through which the makers and advocates of policy initiatives must move."

<sup>32</sup> Blendon, Hyams, and Benson, "Bridging the Gap," pp. 2573-74.

As Blendon and his coauthors note, "the public does not view rising health care costs as a growing threat to the government or the economy." In fact, nearly 70% of Americans felt that the U.S. was spending too little on health care; when asked to choose between controlling costs or increasing access to services as a goal for health care reform, the public chose the latter by more than a 2-1 margin.

To complicate matters even further, the public remains divided over what type of health care reform it wants, sending mixed signals to decision-makers. Recent surveys revealed that the public was almost evenly split in its preference for "managed competition" proposals and regulatory controls; of those surveyed, only persons aged 18-29 years strongly supported the Clinton administration's proposal.<sup>33</sup> Earlier polls revealed similar divisions in public support for pay or play proposals mandating that employers provide coverage for their employees and a single payer system modeled after the Canadian experience. Public opinion surveys also uncovered uncertainty about the public's willingness to foot the bill for a national health insurance program. Proponents of national health insurance reform often point to poll results documenting that more than 50% of all Americans support universal health insurance, even at the cost of higher taxes, as evidence of a deep seated desire for change. Aggregate support for health care reform, however, is deceptive; when asked how *much* of a tax increase they would be willing to pay, the popularity of national health

---

<sup>33</sup> Robin Toner, "How Much Health Care Reform Will the Patient Go Along With?" *New York Times* (March 7, 1993), p. D1.

insurance proposals falls markedly.<sup>34</sup> Although majority of those polled (54%) favored adopting "national health insurance, financed through new taxes, which would cover all Americans," nearly a third opposed any new taxes to finance universal coverage, while an additional 49% were unwilling to pay more than \$200 a year to provide universal coverage.<sup>35</sup> While voters' willingness to support higher taxes to pay for health care reform varies by the type of tax increase proposed to fund it, only 24% of those surveyed on election night in 1992 were willing to pay an additional \$50 per month to finance coverage for all Americans.<sup>36</sup>

Recent polls also uncovered lingering public doubts about the quality of a government- managed health care system. More than half of the respondents expressed concerns about restrictions on their freedom of choice in selecting doctors and other health providers, and nearly half (47%) were concerned that national health insurance would exacerbate delays in receiving medical services.<sup>37</sup> In addition, only 23% felt that the government would "do the better job managing a national healthcare system"; 61% believed that responsibility should be left in the hands of private industry.<sup>38</sup> Since the proposals which have

---

<sup>34</sup> The Novalis Corporation, "The State of American Healthcare", *Medical Benefits*, (February 29, 1992), p. 9.

<sup>35</sup> Health Insurance Association of America, "National Attitudes Toward Health Care Financing Reform," *Medical Benefits*, 9 (February 29, 1992), p. 12).

<sup>36</sup> Blendon et al., "The Implications of the 1992 Presidential Election," pp. 3373-74.

<sup>37</sup> Health Insurance Association of America, "National Attitudes," p. 12.

<sup>38</sup> Novalis Corporation, "The State of American Healthcare," p. 9.

garnered the most Congressional support require both higher taxes and a sizable expansion of government's role in the provision of health services, lingering doubts about government's capability to manage the delivery of health care services constitutes a significant obstacle to reform.

The public's satisfaction with its own health services also spells trouble for reformers hopeful of riding a wave of public discontent to enact national health insurance. Although 85% of those polled agreed that the current health care system "needs reforming and change" and 91% believed that the system was "in crisis," two thirds described themselves as "very satisfied" with the services provided by their own physician and less than 25% were displeased with the care they received during their last stay in the hospital.<sup>39</sup> This satisfaction with one's personal experiences with the health care system but dissatisfaction with the system itself mirrors "the Congress problem," in which individuals approve of their own representative's performance, but distrust and disapprove of Congress as an institution.<sup>40</sup>

---

<sup>39</sup> Frank Newport and Jennifer Leonard, "The Crisis in National Health Care," *The Gallup Poll Monthly*, 311 (August 1991), pp. 4-9.

<sup>40</sup> See Everett Carl Ladd, "The Congress Problem," *The Public Interest*, No. 100 (Summer 1990), pp. 57-67. A more detailed consideration of the impact of members' behavior in their home districts on policy making can be found in Morris Fiorina, *Congress: Keystone of the Washington Establishment*, 2nd ed. (New Haven: Yale University Press, 1990), Bruce Cain, John Ferejohn, and Morris Fiorina, *The Personal Vote* (Cambridge, MA: Harvard University Press, 1987), and Richard Fenno, *Home Style* (Glenview, IL: Scott, Foresman, 1978).

Applied to health care, individuals' confidence and satisfaction with their own providers and community hospitals is juxtaposed against their belief that the system has broken down. In 1990, the reelection of House members at a near record level in the midst of a purported anti-incumbent revolt confirmed what students of Congressional elections had suspected for some time: while the public favors change and "new blood" in Washington, this support for change dwindles when it threatens their own representative or senator.<sup>41</sup> As earlier experiences with health planning programs demonstrated, the public favors wringing "waste" and "excess capacity" from the health care system to control costs as long as service cuts and "efficiency" measures fall elsewhere and do not involve *their* hospitals or doctors. Dissatisfaction with the present health care system will be difficult to translate into collective action as long as most Americans are covered by, and remain satisfied with, private employer-sponsored health insurance.

*Corporate America: Friend or foe?* Popular analyses of the problems facing American business in an increasingly competitive global marketplace often point to the impact of rising health care costs on both the competitiveness of U.S. products and on corporate profitability. In this view, businesses must pursue a solution -- any solution -- to bring the cost of employee fringe benefits under control in order to remain competitive in an environment where firms in other nations enjoy a distinct advantage as a result of the presence of publicly sponsored universal health insurance programs which simultaneously relieve

---

<sup>41</sup> Even in 1992, the "Year of the Challenger," the vast majority of House members who ran for reelection were returned to office by voters.

businesses of the onus of providing health benefits to their employees and significantly reduce costs compared to the pluralistic, even chaotic nature of the U.S. health care system. The new conventional wisdom contends that events over the past decade have brought businesses to a "breaking point", producing a quiet, but significant change in corporate attitudes towards health care reform.<sup>42</sup>

While business leaders' dissatisfaction with the present mechanism of financing health care in the US is indisputable, their willingness to actively lobby for comprehensive national health insurance reform is less clear. Reformers take heart that business groups are no longer openly hostile to proposals for systemic health care reform, but the debate over various "pay or play" proposals highlights the business community's dilemma in health policy debates.

Although many of the nation's largest corporations and business organizations favor mandatory employer-sponsored health insurance, small businesses adamantly oppose the plan. Mandated health benefits present fewer problems for large corporations, most of whom already provide their employees with generous fringe benefits. Additional federal mandates, however, have a far greater impact on small businesses. In a weak economy, providing health insurance for their workers threatens the continued existence of many small

---

<sup>42</sup> Cathie Jo Martin's "Together Again: Business, Government, and the Quest for Cost Control," *Journal of Health Politics, Policy and Law* 18 (Summer 1993), pp. 359-94 provides a well argued example of the new view of corporate leaders in promoting health care reform.

firms, many of which presently provide only limited, if any, benefits to their workers.<sup>43</sup>

A recent Gallup survey of corporate executives' opinions on health care reform also provides a less optimistic impression of businesses' willingness to entertain proposals for fundamental changes to the present US health care system. On the surface, corporate leaders' support for reform appears strong: nearly 60% of the executives surveyed listed the cost of health care as a "major concern" for their firms and more than 80% agreed that "fundamental changes" were needed to make the US health care system "work better."<sup>44</sup> While the vast majority of business executives favored vague notions of reform, support for national health insurance dropped when respondents were asked their opinions about specific policy proposals. Only 8.8% of the CEOs polled endorsed a proposal to replace the present US health care system with a public health insurance system, and less than 30% would mandate employers to provide health benefits to their employees.<sup>45</sup> In contrast to those who claim that an increasingly competitive global marketplace has made business more willing to

---

<sup>43</sup> See, among others, Hilary Stout and Rick Wartzman, "Administration Is Trying to Woo Small Business in Bid to Overhaul Nation's Health Care System," *Wall Street Journal* (March 29, 1993), p. A14; Hilary Stout, "What Do You Call U.S. Taking Cut of Payrolls? It's on the Tips of Health Care Reformers' Tongues," *Wall Street Journal* (June 1, 1993), p. A14; Rick Wartzman and Hilary Stout, "Clinton Seeks Industry Support on Health Plan," *Wall Street Journal* (May 10, 1993), p. A1.

<sup>44</sup> Joel C. Cantor, Nancy Barrant, Randolph Desonia, Alan B. Cohen, and Jeffrey C. Merrill, "Business Leaders' Views on American Health Care," *Health Affairs*, 10 (Spring 1991), p. 100.

<sup>45</sup> Cantor et al., "Business Leaders' Views," p. 101.

consider national health insurance, 83% of executives believed that businesses, not government, should continue to provide coverage for basic hospital care and more than 50% favored a continuation of employer-sponsored coverage of substance abuse treatment and mental health services.<sup>46</sup>

The Gallup survey also provides striking evidence that the "rugged individualism" and traditional skepticism of government intervention in the economy characteristic of American businessmen is alive and well; 81% of the executives polled opposed restrictions on the number of physicians entering medical specialties, while fewer than 30% approved of controlling health care costs by regulating provider payment or limiting the construction of health facilities.<sup>47</sup> These results, drawn from the largest national survey of CEOs ever conducted on health care, hardly presents a picture of a business community that is ripe to be mobilized for the cause of reform.

In addition, reformers who expect business leaders to lead a campaign for national health insurance underestimate the impact of sectoral, regional, and size divisions within the business community. While firms' costs for employee benefits may fall after the introduction of a national health insurance system, other options exist for private, noncooperative solutions to businesses' health care costs. By the early 1990s, an increasing number of businesses used self-insurance, group purchasing, and health care outcomes studies to bargain with health providers, reflecting a belief that firms should "manage health care like

---

<sup>46</sup> Cantor et al., "Business Leaders' Views," p. 103.

<sup>47</sup> Cantor et al., "Business Leaders' Views," p. 101.

any other important component of production."<sup>48</sup> This challenge is also evident in Lawrence Brown and Katherine McLaughlin's recent evaluation of the Robert Wood Johnson Foundation's sponsorship of "community programs for affordable health care" during the 1980s. Brown and McLaughlin observed that although corporate executives "know that health care costs too much ... their willingness to act on the problem usually ends at the benefit manager's door. Endlessly willing to try to shift costs to employees by "benefit redesign" ... they are generally unprepared to incur the conflict entailed by tilting against the system."<sup>49</sup> Even in circumstances where business groups collaborate to share information or lobby government agencies, the absence of strong leadership can derail the best intentions of corporate executives. The celebrity status accorded to corporate cost control initiatives in Rochester and Cleveland highlights the unusual (if not unique) nature of these efforts. Attempts to duplicate their success are likely to produce far different results in less hospitable climates, for experience at the state level suggests that the departure of key policy entrepreneurs can shatter fragile employer coalitions or slow movement towards reform.<sup>50</sup>

---

<sup>48</sup> David J. Brailer and R. Lawrence Van Horn, "Health and the Welfare of U.S. Business," *Harvard Business Review* (March-April 1993), pp. 125-32.

<sup>49</sup> Lawrence D. Brown and Catherine McLaughlin, "Constraining Costs at the Community Level," *Health Affairs*, 9 (Winter 1990), pp. 5-28. For an excellent discussion of dilemma facing business leaders in taking a position on health care reform, see Lawrence D. Brown, "Dogmatic Slumbers: American Business and Health Policy," *Journal of Health Politics, Policy and Law* 18 (Summer 1992), pp. 339-58.

<sup>50</sup> See Robert B. Hackey, "Trapped Between State and Market," *Medical Care Review* 49 (Fall 1992): pp. 355-88 and Linda Bergthold, "Purchasing Power: Business and Health Policy Change in Massachusetts,"

Finally, those who expect businesses to lead the charge for national health care reform overlook an important point: while health care costs are rising faster than those of other inputs, they constitute only one element of firms' variable costs. Continued health inflation erodes workers' standard of living, but need not threaten firms' profitability, for rising health care costs have increasingly been borne by workers, not employers, in the form of higher copayments and deductibles, fewer covered services, and lower raises. Although self insurance, managed care, and higher employee cost sharing do little to control systemwide costs, they offer an appealing alternative to traditional indemnity insurance that can significantly reduce businesses' exposure to rising health care costs and their willingness to actively support systemic reform.

*Political culture revisited.* Some eras are hospitable to reform, others are not.<sup>51</sup> Over the past decade, government regulation and the expansion of federal authority were viewed with greater hostility than at any time since the 1930s; an activist government was seen as part of the problem, rather than a solution to national policy dilemmas. Although the campaign against "big government" first became a prominent theme during Jimmy Carter's successful presidential bid in 1976, it reached its height under Ronald Reagan, who bashed

---

*Journal of Health Politics, Policy and Law* 13 (Fall 1988), pp. 425-51 for a discussion of state initiatives in Massachusetts and New York.

<sup>51</sup> See Durr, "What Moves Policy Sentiment?," Robert Higgs, *Crisis and Leviathan* (Oxford University Press, 1987), John Kingdon, *Agendas, Alternatives, and Public Policies* (Boston, MA: Little, Brown, 1984), and Morone, *The Democratic Wish* for excellent discussions of the importance of ideology, public opinion, and timing for successful reform.

public sector solutions as wasteful, inefficient, and counterproductive throughout his presidency. Fifteen years of antistatist rhetoric have changed the political climate in the 1990s. Despite his support for national health insurance, Bill Clinton's campaign rhetoric echoed many Reaganesque (e.g., Republican) themes. During the fall campaign, Clinton urged voters to "realize that there is not a government program for every problem" and argued that the federal "government is in the way. It has been hijacked by privileged, private interests."<sup>52</sup> The underlying shift in public attitudes towards government make the introduction of major new federal initiatives such as national health insurance problematic, particularly given the ideologically charged nature of public debate over socialized medicine in the past. The diminished appeal of public sector solutions in recent years has its roots in the public's declining trust and confidence in political institutions, increased apathy and alienation from political life, and a sharp rise in public cynicism about government's ability to effectively manage national problems after the 1970s.<sup>53</sup> These sentiments were evident in exit polls conducted after the 1992 presidential election, which underscored voters' continuing preference for smaller and less intrusive national government. Indeed, even among Clinton supporters, expanding public programs finished a distant second to deficit reduction as the most pressing problem for the new administration.<sup>54</sup> Growing distrust of government, and of

---

<sup>52</sup> Robert L. Turner, "Is that a Democrat Speaking?," *Boston Globe*, 242 (July 28, 1992), p. 15.

<sup>53</sup> See, for example, Bennett and Bennett, *Living with Leviathan*.

<sup>54</sup> Everett Carl Ladd, "The 1992 Vote for President Clinton: Another Brittle Mandate?," *Political Science Quarterly* 108 (Spring 1993), p. 20

politicians in general, contrasts strongly with previous eras of social policy reform, when citizens looked to Washington for leadership.

*Weaknesses in the Reform Coalition*

The declining fortunes of the American labor movement constitutes another hurdle to the successful passage of a national health insurance package in the near future. Labor was buffeted by declining membership, massive layoffs in blue collar industries, rising concerns over foreign competition and the rise of "outsourcing" products abroad during the 1980s. Unions remains on the defensive in the 1990s, as union membership as a percentage of all workers fell from 20.1% in 1983 to 16.1% in 1991, and the number of work stoppages fell from more than 300 in 1973 to 40 in 1991.<sup>55</sup> In the wake of increasingly active corporate efforts to decertify unions, discourage strikes, and exact wage and benefit concessions from employees, labor's political clout is less significant today than at any point since the 1930s.<sup>56</sup> The extent of labor's diminished influence became apparent during the Spring of 1992, when union supporters were unable to win passage of one of their top legislative priorities banning employers from permanently replacing strikers after a "historic" concession curbing unions' right to strike.<sup>57</sup> As one of the most vocal proponents of health

---

<sup>55</sup> Data obtained from U.S. Bureau of Labor Statistics reports on *Employment and Earnings* (January 1993) and *Compensation and Working Conditions* (December 1992).

<sup>56</sup> See, for example, John Hoerr's discussion of contemporary labor politics in "Is the Strike Dead?," *The American Prospect*, No. 10 (Summer 1992), pp. 106-118.

<sup>57</sup> Richard Sammon, "Fall of Striker Bill Spotlights Doubts about Labor Lobby," *Congressional Quarterly Weekly Report* (June 20, 1992), p. 1810.

care reform over the past three decades, labor's hard times do not bode well for the passage of comprehensive health care reform in the near future.

Despite rising concerns over health care costs, the "crisis" in the health sector has yet to generate a significant grassroots push for reform.<sup>58</sup> While advocacy groups such as Health Care For All in Massachusetts campaigned for the passage of state-level programs to improve access to health services, proposals to cover the uninsured required the support of business and industry groups, which viewed such efforts as a means to reduce their own expenses for uncompensated care.<sup>59</sup> Although Health Care For All's role in the passage of universal health insurance legislation in Massachusetts has been cited as evidence of the power of grassroots political movements to reshape the health policy agenda, the state's experience since 1988 suggests otherwise. The key provisions of the Health Security Act remain underfunded, proposed mandates requiring employers to provide health insurance for their workers were postponed, and the stringent regulatory controls which governed hospital reimbursement in the Bay State during the 1980s were abandoned in favor of a

---

<sup>58</sup> As Robert Alford notes in *Health Care Politics* (Chicago: University of Chicago Press, 1975), the rhetoric of crisis is often invoked in the health sphere to serve the interests of health providers.

<sup>59</sup> See Susan Goldberger, "The Politics of Universal Access: The Massachusetts Health Security Act of 1988," *Journal of Health Politics, Policy, and Law*, 15 (Winter 1990), pp. 857-86 for a more detailed account of Health Care For All's lobbying efforts and Hackey, "Trapped Between State and Market," for an argument that employer associations and providers, not public interest groups, played the critical role in securing the passage of Massachusetts' Health Security Act in 1988.

deregulatory strategy to encourage hospitals to encourage price competition among health providers.

*The Congressional climate.* If, as Lynn Etheredge argues, "most of the federal government's health policy making has been ceded to the legislative branch" since the enactment of Medicare's prospective payment system in 1982, proponents of reform have an additional reason for concern about the prospects for comprehensive reform in the near future.<sup>60</sup> Congressional activism on health policy issues increased markedly during the 1980s, but legislators' renewed interest in health care issues hardly presages the passage of national health care reforms designed to expand access to medical services, for the reforms of the past decade were limited in scope. The introduction of new prospective payment mechanisms for inpatient hospital services and physician services during the 1980s fundamentally changed the nature of health service delivery, but neither represented a "liberalization" of federal policy designed to promote access to care for the uninsured. Indeed, with the exception of the 1988 Medicare Catastrophic Coverage Act, federal health policy over the past decade sought to control costs, not expand coverage.

Instead of promoting access to health services, the reforms of the past decade limited the federal government's expenditures on health care.<sup>61</sup>

---

<sup>60</sup> Lynn Etheredge, "Negotiating National Health Insurance," *Journal of Health Politics, Policy and Law* 16 (Spring 1991), p. 158.

<sup>61</sup> The introduction of Medicare's case-based payment system for inpatient hospital care in 1983 and the decision to reimburse physicians' services using a resource-based relative value scale (RBRVS) are prime examples of "rationalizing politics," for the principal aim of both measures was to reduce the rate of growth

Congress was willing to consider incremental modifications to existing programs, and even risk alienating powerful interest groups, if such reforms promised to control costs. Even though cost control mechanisms such as Medicare's prospective payment system (PPS) for inpatient hospital care and recent reforms in physician payment reduced the federal government's exposure to health inflation, the prospect for federal officials to risk political capital controlling systemwide costs to benefit nongovernment payers and consumers are slim, for such a program would, in fact, be one of the largest "breakthrough" programs ever proposed. While incremental changes in Medicaid eligibility in the late 1980s expanded care to previously underserved groups, these changes involved a minimal commitment of new federal resources. The extent of Congressional support for liberalizing health care benefits is clear, however, if we direct our attention to the fate of catastrophic health insurance in the late 1980s, the most significant expansion of Medicare since its inception.

The Medicare Catastrophic Coverage Act of 1988 (P.L. 100-360), was an unmitigated disaster whose impact on health care reform continues to resonate in Washington long after its repeal. Lawmakers unknowingly unleashed a storm of protest over the financing of the new benefits, which required beneficiaries to foot the bill for expanded coverage. While the legislation passed with strong bipartisan support in both the House and Senate in 1988, elderly Americans were

---

in Medicare outlays. As Lawrence Brown argues in *New Policies, New Politics: Government's Response to Government's Growth*, (Washington, DC: Brookings, 1982), over time rationalizing policies have come to dominate the federal government's domestic policy agenda as policy makers wrestle with the fiscal consequences of previous "breakthrough" programs such as Medicare and Medicaid.

outraged that they had to bear the full burden of the new coverage. The resulting political maelstrom led to calls for repeal soon after the 101st Congress assembled; in a dramatic reversal, both the House and Senate voted overwhelmingly to repeal the surtax and most of the additional benefits in November, 1989. The repeal of P.L. 100-360 was a no win situation which left many members of Congress licking their wounds. Indeed, Peterson acknowledges that a "fear of the attentive elderly electorate remains undeniably palpable in the Senate. When major program expansions are suggested, the refrain 'Remember Catastrophic!' repeated in one public and private meeting after another has almost as much rallying power as did 'Remember the Maine!' during the Spanish-American War."<sup>62</sup>

The lessons of this "catastrophic" failure are clear: in an effort to enact new social benefits in an era defined by multibillion dollar budget deficits, Congress crafted a simple, and intuitively obvious solution--it asked beneficiaries to pay a share of the cost of the new benefits, and adjusted their cost-sharing to individuals' incomes. The resulting disaster indicated, among other things, that the public's desire for reform is an imperfect measure of its willingness to pay for the costs of reform.<sup>63</sup> Although upper income elderly groups were particularly vocal in their opposition to the Catastrophic Coverage Act, their dissatisfaction was rooted in an intense dislike for progressive taxation as a financing mechanism, and was not simply a reaction against user fees or cost sharing.

---

<sup>62</sup> Peterson, "Momentum Towards Health Care Reform," p. 556.

<sup>63</sup> See Christine L. Day, "Older Americans' Attitudes Towards the Medicare Catastrophic Coverage Act of 1988," *Journal of Politics* 55 (February 1993), pp. 167-77.

Since new taxes or higher marginal tax rates appear to be inevitable in order to finance coverage for the uninsured under any national health insurance program, "opposition from the wealthy, who tend to have more political resources, as well as partisan conflict over such policies," could present a serious obstacle to devising a workable financing mechanism.<sup>64</sup>

In addition, the sheer number of proposals also hinders the cause of reform. The inability to broker an acceptable compromise among competing proposals hindered the passage of national health insurance during the 1970s, when proponents were unable to reconcile their differences between competing alternatives. Similar difficulties surfaced in the 102nd Congress, where members introduced more than twenty different health care reform bills, ranging from incremental reforms to the small group insurance market to the creation of a federally funded single payer national health insurance system. With members split along both ideological and partisan lines, forging a veto-proof coalition between the various factions of Congressional health policy reformers (e.g., managed competition, mandated benefits, single payer, and incremental reform strategies) is particularly difficult in the post reform Congress, where members are rewarded more for policy entrepreneurship than for party loyalty.<sup>65</sup> In addition, the definition of a uniform basic benefits package for any national health insurance program threatens to pit a multitude of interest groups and

---

<sup>64</sup> Day, "Older Americans' Attitudes," p. 174.

<sup>65</sup> See Burdett Loomis, *The New American Politician* (New York: Basic Books, 1988) and David Canon, *Actors, Athletes, and Astronauts* (Chicago: University of Chicago Press, 1990) for an excellent discussion of the changing incentives for members of Congress.

their legislative supporters against each other. Indeed, various service providers and medical specialties (e.g., rehabilitation professionals, mental health providers, and trauma centers) are already lobbying for to include coverage for their services in various reform proposals.<sup>66</sup> Other issues have the potential to polarize Congressional and public debate over reform. Although previous debates over national health insurance were often cast in ideological terms, the Clinton administration's proposal to include coverage for abortion services in the basic benefits package offered to the public could transform health policy discussions focus from economic security and individuals' right to health services into a religious and moral battlefield.<sup>67</sup>

Finally, several structural changes in Congress make it more difficult to build lasting coalitions in support of systemic health care reform. First, the ideological polarization in Congress accelerated during the 1980s, making it more difficult to craft acceptable compromises on controversial pieces of legislation. Health care, and particularly national health insurance, divided

---

<sup>66</sup> Rubin,. "Special Interests Stampede to be Heard on Overhaul," p. 1082.

<sup>67</sup> For a discussion of abortion funding's likely impact on health care reform, see Alissa Rubin, "Clinton Task Force All Ears on the Subject of Overhaul," *Congressional Quarterly Weekly Report* (May 22, 1993), p.1295 and Rochelle Sharpe, "Abortion Coverage Looks Like the Most Bitter Pill for Some in Prescription for Health Care Reform," *Wall Street Journal* (May 11, 1993), p. A20. Raymond Tatalovich and David Schier's analysis of roll call votes on abortion-legislation in "The Persistence of Ideological Cleavage in Voting on Abortion Legislation in the House of Representatives, 1973-88," *American Politics Quarterly* 21 (January 1993), pp. 125-39 provides a convincing argument that ideology has grown more important as a decision making cue for both Democrats and Republicans in recent years.

Congress into warring ideological camps during previous eras of reform; with fewer moderates and pragmatists in present in the contemporary Congress, conflict, not compromise, characterized recent debates over social policy.<sup>68</sup> Second, the post-Watergate reforms in the internal organization and operation of Congress have created a very different political environment than that which faced reformers in the 1970s. The creation of the Congressional Budget Office and dramatic increases in both personal and committee staffs enabled legislators to play a more proactive role by providing members with alternative sources of information. The decentralization of both the House leadership and the explosion in the number of subcommittees over the past two decades present additional obstacles to reform, for more committees now compete for jurisdiction over health policy legislation than in the 1970s. While the involvement of the Democratic leadership in shepherding legislation through the House of Representatives has increased over the past two decades along with the ideological homogeneity of the party's membership, the defining feature of the debate over health care reform in the 102nd Congress was the "absence not only of a consensus but even of a modal position."<sup>69</sup> This dissensus is likely to

---

<sup>68</sup> For a more detailed treatment of the role of ideology in health care policy making, see Theodore Marmor, *The Politics of Medicare* (Chicago: Aldine, 1971); Keith J. Mueller, "An Analysis of Congressional Health Policy Voting in the 1970s," *Journal of Health Politics, Policy and Law* 11 (Spring 1986), pp. 117-36; and Morone, *The Democratic Wish*, pp. 254-62.

<sup>69</sup> Peterson, "Momentum Towards Health Care Reform," p. . For an excellent discussion of changes in party leadership in Congress over the past decade, see Barbara Sinclair, "The Emergence of Strong Leadership in the 1980s House of Representatives," *Journal of Politics* 54 (August 1992): 657-84.

continue despite the Clinton administration's embrace of managed competition, for policy makers, interest groups, and the public have yet to reach agreement on either what managed competition should look like in principle or in practice.<sup>70</sup>

In reaction to domestic policy stalemate, the Democratic leadership in Congress adopted a confrontational stance towards the White House during the Reagan and Bush presidencies. Facing the threat of a certain veto on most proposals for additional federal spending, the Democratic party leadership sought to win points with the public via symbolic politics: rather than supporting watered down measures capable of passing the administration's litmus test, Congress attempted to force the Bush administration to veto popular legislation on high-visibility issues. The continued stalemate between the president and Congress on domestic policy issues in recent years has revitalized

---

<sup>70</sup> As Rep. Pete Stark, chairman of the House Ways and Means' subcommittee on health, quipped, "The reason everybody's endorsing managed competition is that it sounds so good." In practice, however, Stark complained that "there's no 'there' when it comes to managed competition. Quoted in Rovner, "Clinton has Rx for Reform," pp. 3716. For different perspectives on various managed competition see, among others, Hilary Stout, "Proposal for Health Care Cooperatives Draws Criticism as Some See Growing Regulator Role," *Wall Street Journal* (May 10, 1993), p. A12; Deborah Stone, "When Patients Go to Market: The Workings of Managed Competition," *The American Prospect* No. 13 (Spring 1993), pp. 109-115; David U. Himmelstein, Sidney Wolfe, and Steffie Woolhandler, "Mangled Competition," *The American Prospect* No. 13 (Spring 1993), pp. 116-21; Detoxifying the Debate," *The American Prospect* No. 13 (Spring 1993), pp. 122-26; Alain C. Enthoven, "The History and Principles of Managed Competition," *Health Affairs* 12 (Supplement 1993): 24-48; and Alain C. Enthoven and Richard Kronick, "A Consumer Choice Health Plan for the 1990s," *New England Journal of Medicine* 320 (1): 29-37.

latent concerns about the capability of American political institutions to adapt to a "new era of coalition government." However, the return to unified party control in 1992 is unlikely to significantly increase the prospects for health care reform. Facing small working majorities in both the House and the Senate and major ideological fissures in the Democratic party ranks, the Clinton administration's first months bore scant resemblance to traditional presidential honeymoons. The Clinton administration's first hundred days were characterized by a siege mentality, as the president's proposal for a broad based energy tax was withdrawn after opposition from key legislators and the administration's jobs bill-went down in flames after a successful filibuster in the Senate. In the end, the impact of unified Democratic control on policy will be tempered by the "resurgence" of Congress over the past two decades; the era of divided government during the 1980s merely exacerbated existing propensities for institutional conflict and policy gridlock.

*Divided government and health care reform.* Vigorous presidential leadership and support characterized previous attempts at systemic health care reform: Harry Truman campaigned aggressively for national health insurance in the 1940s, Lyndon Johnson placed the passage of Medicare and Medicaid at the top of his legislative agenda in 1965, and various national health insurance proposals received endorsements from the Nixon, Ford, and Carter administrations in the 1970s.<sup>71</sup> The preceding cases suggest that presidential endorsements, in and of themselves, are insufficient to bring about reform. Divided government has become a convenient scapegoat for the gridlock in domestic policy debates over

---

<sup>71</sup> Etheredge, "Negotiating National Health Insurance," p. 159.

the past decade, but unified party control, in and of itself, does not guarantee the passage of national health insurance; despite the presence of strong Democratic majorities, neither Franklin Roosevelt nor Jimmy Carter were able to make meaningful progress towards universal coverage. Furthermore, as David Mayhew has demonstrated, few significant differences exist in the passage of significant legislation between periods of divided government and unified party control.<sup>72</sup>

### *Conclusion*

While any one of the preceding obstacles could derail the passage of significant health care reform in the next decade, the confluence of two or more constitutes a formidable barrier to the enactment of national health insurance in the near future. Indeed, the present political climate appears to be even less hospitable to reformers' efforts than that of the 1970s. If past experience is any guide, neither presidential leadership nor majority control will be sufficient to pass a national health insurance program in the absence of a solid electoral mandate. In the past, significant expansions of social benefits required both strong majorities in Congress and a supportive public. Bill Clinton's victory in 1992, however, was a "brittle" mandate which largely reflected voters' dissatisfaction with the economy and other short term factors rather than an endorsement of the Democratic agenda.<sup>73</sup> Indeed, the Clinton administration's political capital was reflected in the fact that he won a plurality, rather than a majority, of the presidential vote. While some analysts have argued that taken

---

<sup>72</sup> David Mayhew, *Divided We Govern* (New Haven: Yale University Press, 1991), pp. 76-79.

<sup>73</sup> Ladd, "The 1992 Vote," p. 14.

together, Clinton and Ross Perot's share of the popular vote constitutes a significant mandate for change, a closer analysis of Perot supporters' views suggests otherwise. In his analysis of post-election exit polls, Ladd found that Perot voters were "disproportionately libertarian-inclined independents and Republicans who were angered by government excesses and wanted a more restricted governmental role."<sup>74</sup> As Marmor notes in *The Politics of Medicare*, [o]ne of the most important lessons of Medicare's enactment is that the events surrounding its passage were atypical. The massive Democratic electoral victories in 1964 created a solid majority in Congress for the President's social welfare bills, including federal aid to education, Medicare, and the doubling of the "war on poverty" effort. To find the most recent precedent, we must go back almost 30 years, to Franklin Roosevelt's New Deal Congresses.<sup>75</sup>

The events leading up to the passage of Medicare constitute one possible path to successful reform, for unified party control and a decisive landslide victory with a clear campaign theme certainly favor the passage of the president's program by providing the incoming administration with a surplus of political capital to draw upon. Landslide elections, however, are few and far between. As the early years of the Reagan presidency demonstrated, there is another path to reform; it is possible to build bipartisan Congressional support for change in a period of divided government. The Reagan administration's legislative success in 1981 and 1982 undercut the prevailing notion of a governability crisis in American politics; skillful presidential leadership, coupled

---

<sup>74</sup> Ladd, "The 1992 Vote," p. 25.

<sup>75</sup> Marmor, *The Politics of Medicare*, p. 74.

with a clear linkage between the presidential campaign and the new administration's legislative agenda created a favorable climate for reform. Reagan's campaign emphasized cutting taxes, reducing the size of government, and increasing defense spending to create a "perceived mandate" conducive to the passage of the administration's agenda in 1981.<sup>76</sup> Despite the "mandate for change" claimed by members of the incoming administration, national health insurance faces an uncertain future in the 102nd Congress, for despite the recent surge in legislative interest in health care reform, policy gridlock is unlikely to be broken without both strong executive leadership and a consensus among public officials, interest groups, and the mass public on an agenda for reform. In the absence of this, conflicting trends in public opinion, uneven support from the business community, continued opposition from health insurers, and institutional conflict between Congress and the president will perpetuate the policy stalemate that has frustrated efforts at health care reform for more than a decade.

---

<sup>76</sup> See Darrell M. West, *Congress and Economic Policy* (Pittsburgh, PA: University of Pittsburgh Press, 1987), pp. 22-36, 144-64 for a more detailed discussion of the linkage between campaigns and governance.