

# How Well Have Lessons Learned from Clinton-Era Health Reform Been Applied to Today's Reform Effort?

Alliance for Health Reform

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Two years ago, the Alliance and the Robert Wood Johnson Foundation conducted briefings on lessons learned from the failure of health reform during the Clinton Administration. Panelists were experts who were active in health issues on Capitol Hill during 1993 and 1994, representing both sides of the political aisle and the administration. They came up with nine lessons, described in our issue brief, "[Lessons Learned: The Health Reform Debate of 1993-94.](#)"

How well have those lessons been applied by the Obama Administration and Congress? We asked experts from those previous briefings to give us their thoughts. [Lessons from 1993-94 are in blue.](#) Experts' comments follow in black.

The experts:



SUSAN DENTZER, in 1993-94 the chief economics correspondent and an economics columnist for *U.S. News & World Report*, now editor-in-chief of *Health Affairs*



CHRISTINE FERGUSON, then the top health policy staffer for Republican Sen. John Chafee of Rhode Island, now a research associate professor of health policy at George Washington University



ED HOWARD, then and now, executive vice president of the Alliance for Health Reform



CHRIS JENNINGS, then senior advisor to the administrator of the Health Care Financing Administration (now the Centers for Medicare and Medicaid Services), now president of Jennings Policy Strategies



KAREN POLLITZ, then deputy assistant secretary for health legislation at the Department of Health and Human Services, now research professor and project director at Georgetown University's Health Policy Institute



DEAN ROSEN, then a staff member for Republican Sen. David Durenberger of Minnesota, now a partner at the consulting firm Mehlman Vogel Castagnetti Inc. and head of the firm's health practice

## **Lesson 1: Strike while the iron is hot – in the first year after an election**

In 1993, both Democrats and Republicans thought they saw powerful momentum for successful legislative action on reform when Bill Clinton entered the White House. The White House had intended to present a detailed proposal to Congress in the first 100 days of the new administration. But progress lagged, and the sense of urgency began eroding. Weeks stretched into months, with nothing to send to Capitol Hill.

**“Reformers did try to ‘strike when the iron is hot’ by starting the effort early in the Obama Administration. Of course, other urgent priorities – the sagging economy, the stimulus bill, bank failures, two wars – demanded simultaneous attention. This complicated, but did not derail health reform – proof of the high priority status it has.” – KAREN POLLITZ**

**“President Obama chose, for good reason, the economy as the initial focus and used up significant chunk of his political capital. By the time everyone turned their attention to health care, some of the goodwill and trust of the American people had been eroded. The Republican leadership and interests with the most to lose in health reform have been able to take advantage of the complexity and interdependence that is inherent in our health care system and play upon people's fears.”**

**– CHRISTINE FERGUSON**

## **Lesson 2: Go for the easiest procedural path (budget reconciliation)**

A setback for Clinton-era health reform effort came when Sen. Robert Byrd, chairman of the Senate Budget Committee, told President Clinton that health reform would not be included in the massive budget reconciliation bill of 1993. Sen. Byrd, a stickler for Senate rules and tradition, said the health legislation was not germane to the budget bill (thinking that has been enshrined in the Senate's "Byrd rule" governing reconciliation bills).

**"Because only a simple majority is required to enact reconciliation measures, both parties have frequently turned to this process to pass highly contentious bills.... In 2009, Democrats had feuded among themselves over the proposed use of reconciliation to pass health reform this time, but Sen. Baucus and other lawmakers like (Majority Leader) Reid, who pledged to work for a bipartisan bill that would draw at least some Republican support, had prevailed. Now, months later, reconciliation (is) no longer an option, but the only remaining hope, for passing anything close to a House-Senate compromise.... Although many Democrats think they can still prevail (using reconciliation), it's unclear what many Americans would think of this spectacle and whether or not any public support for passing the measure would be left."**

– SUSAN DENTZER

## **Lesson 3: Involve Congress from the very beginning**

The 1,300-page Clinton health reform plan landed on Capitol Hill without significant congressional input. Lawmakers had little invested in the plan. Rep. Pete Stark, the California Democrat who chaired the House Ways and Means Health Subcommittee, told the *National Journal* that the White House had developed their plan "as if they were off on Mars, without any thought to political relevancy...."

**"Some say the Obama Administration learned this lesson too well, leaving the detailed shaping of a proposal to senators and representatives. It's a lot easier to make that judgment in the rear view mirror. At the time, it was easy to view the long months spent crafting various bills as a sound investment in eventual congressional buy-in."** – ED HOWARD

**"The Obama Administration and Congressional Democrats have studied history and learned well from the past errors and omissions of the Clinton Administration. The Obama Administration has made health reform a top priority. Congressional leaders have worked hand-in-hand with the administration to craft legislation. Democratic leaders in Congress have tried to move legislation quickly to capitalize on early support for the president. The majority Democrats have flexed the muscle of their large Congressional majorities to shape the details of the legislation and have shown a willingness to use fast-track procedural rules to overcome opposition—even from within their own party."** – DEAN ROSEN

**"President Obama began the reform effort last year seemingly determined to avoid (Clinton-era) errors. Instead of assembling a bill in the White House, he set forth eight broad principles that he said a reform package**

would have to achieve. He invited lawmakers of both parties to a March 2009 forum at the White House, and sought at least some Republican engagement in other sessions as well. He left the work of assembling legislation to the Democratic leadership of two Senate and three separate House committees, with members of his administration close at hand to engage in regular consultations.” – SUSAN DENTZER

#### **Lesson 4: Raising taxes is tough, but NOT raising taxes can also carry a price**

The Clinton reform plan was so complex, in part, because drafters were attempting to cover masses of uninsured people without boosting federal taxes. Karen Pollitz said two years ago that it was a fatal decision to attempt to cover everyone without raising taxes.

**“In many ways, the Obama Administration has crafted its political approach from the last reform debate. He has respected the Congressional process, taken on the tax issues and tried to negotiate with the Republicans. The result is that both the Senate and the House have passed very comprehensive legislation. That is the farthest any one has been able to move comprehensive health care legislation since the 1960’s!” – CHRISTINE FERGUSON**

**“While there has been a great deal of criticism of the revenue-raisers – mostly taxes – in the current proposals, criticism would have been sharper had drafters not tried to balance new spending with offsets on both the spending and tax ends. And there is simply no way to make a significant dent in the unconscionable numbers of uninsured Americans without spending more. Care costs more than no care.” – ED HOWARD**

#### **Lesson 5: Don’t try to put everything into one bill**

The passage of near-universal coverage in Massachusetts shows that you don’t have to have all questions answered before enacting health reform. Some details can be left for later.

#### **Lesson 6: Be willing to deal**

President Clinton said in his 1994 State of the Union message: “If you send me legislation that does not guarantee every American private health insurance that can never be taken away, you will force me to take this pen (he waved a pen), veto the legislation and we’ll come back here and start all over again.” This signaled an unwillingness to compromise that put off moderate Democrats as well as Republicans.

**“To secure (the needed) votes, (Majority Leader) Reid ...engaged in a round of horse trading that made even seasoned observers of the frequently tawdry political process blanch. In particular, one Senator, Ben Nelson of Nebraska, was cut a special deal which would have sharply reduced his state’s share of spending for helping to cover many of the uninsured. Several other states received lesser deals along these lines, but the nonpartisan Congressional Budget Office calculated that the Nebraska deal would have cost \$35 billion over 10 years had it been**

extended to all the states. The Senate eventually passed the entire reform measure in an unprecedented Christmas Eve vote, with the 58 Democrats and two Independents voting yes and 39 of 40 Republicans voting no (one Republican, George Voinovich of Ohio, was absent). But the optics of the Nelson deal had taken their toll. By and large, the public had been souring on reform over the course of the previous year against the backdrop of a slow-growing economy, high joblessness and a ballooning federal budget deficit.” – SUSAN DENTZER

“Bipartisanship is far preferable for achieving and sustaining public support for comprehensive reform, but regrettably now impossible to achieve IF one party controls Congress and the White House. The parties are now so polarized and grounded by their base constituencies’ ideologies that neither wing of the parties will allow for the type of compromises necessary to achieve bipartisan comprehensive reforms WITHOUT being accused of surrendering basic principles of the respective party. As such, bipartisanship may only be possible when both parties have a stake in and responsibility of governing (because they control at least one body of government – such as with the Social Security Act Amendments of 1983). The consequence appears to be that policymakers governing in single party control have to embrace incremental approaches (if they want bipartisan achievements) OR be willing to go at it alone and gut it out (if they want comprehensive reforms achieved). If one opts for major reforms and recognizes this, excessive and damaging delays that are the consequence of failed attempts to secure bipartisanship can be avoided.” – CHRIS JENNINGS

### **Lesson 7: Expect pushback**

As time dragged on, public enthusiasm for Clinton-style health reform dissipated. The famous “Harry and Louise” TV ads sponsored by the Health Insurance Association of America fueled doubts about the effort. The ads showed actors portraying a married couple sitting at their kitchen table, lamenting the restrictions of the Clinton plan. Large corporations thought they could better tackle the problem of rising health costs of their own, rather than with federal help.

“What the process and the debate has reinforced for me is 1) a new president has limited political capital regardless of his popularity and 2) unlike most other issues, health care affects each of us in different ways at different times in our lives and therefore, it is easy to scare voters with a few well chosen (and sometimes untrue) descriptions or scenarios – it is easier to find reasons to be against a particular health care provision than to be for it.” – CHRISTINE FERGUSON

“Fight fear with fear, using messengers that Americans trust; hope may work in campaigns, but not in governing. The opponents of reform always successfully employ fear tactics to terrify people into thinking that reform will take away something they have or value. Of course, in the absence of reform, benefits, income, coverage and security will be taken away from millions of Americans. Rather than responding to the fear tactics and lies with ‘that’s not true’ comments, or references to provisions of bills, or inside baseball terms like ‘bending the curve,’ pivot directly to the dire

consequences of the failure to act. Remind the nation in graphic, understandable terms what the purveyors of the status quo mean to ‘real’ people. And, when talking about the benefits of reform, discuss them in terms of what people will lose if we fail to pass legislation. Finally, recognize that in this polarized atmosphere, Republicans and Democrats are mistrusted as messengers. The advocates of reform must much better utilize the messengers that Americans trust – doctors, nurses, and other health professionals as well as AARP and patient advocacy groups that they know and trust – like cancer and heart patient advocate organizations. These are the groups that will have the biggest impact on public opinion and must be fully and frequently utilized.”

– CHRIS JENNINGS

### **Lesson 8: If you’re from Venus, listen to the people from Mars**

Differences between Democrats and Republicans about health reform proved intractable by mid-1994. Dean Rosen recalled of that time: “I felt this is really a ‘Republicans are from Mars, and Democrats are from Venus’ kind of conversation.”

“Back in 2008, we noted the need for compromise between points of view from ‘Venus and Mars.’ That has been a hallmark of the 2009-10 effort. The insurance industry endorsed reform, as did the AMA, the AFL-CIO, the AARP, and the American Cancer Society. And while it seems bipartisanship will not characterize the final vote, it wasn’t for lack of trying. In fact, Congress engaged in a year long quest for bipartisan support at the expense of taking the simplest procedural route. Health reform has traveled the longest and most difficult procedural road through the Congress, so far through five committees and two chambers, garnering a 60-vote supermajority in one of them. A few final additions must still clear the budget reconciliation process. At every step along the way, Congress worked its will and made compromises. The end result won’t accomplish all that reformers hoped at the outset, but it will accomplish a great deal.” – KAREN POLLITZ

“Last year’s long spring and summer of negotiations between Senate Democrats and Republicans in the ‘Gang of Six’ (three from each party) did not, in the end, yield an agreement. But both sides understood the other’s point of view more fully, and the good faith effort then may yet yield a bipartisan approach to some of the implementation challenges – if there is a law to implement.” – ED HOWARD

### **Lesson 9: It won’t happen if it’s not a priority**

It was clear from the 1993-94 effort that significant health reform won’t happen unless a number of people make it a priority. “You are not going to come out as a hero,” said Christine Ferguson of George Washington University, then a top health policy staffer for Republican Sen. John Chafee of Rhode Island.

“The ultimate lesson – that health reform won’t happen unless it’s a priority – is being demonstrated right now. Nothing less than the full court press by the Administration and the Congressional leadership will be needed to get health reform across the finish line, and nothing less could have brought reform this far.” – KAREN POLLITZ

## Some Final Thoughts

**“No one can or will implement the lessons perfectly. Because of the courage of their convictions, I believe President Obama and the Dems can and will get past the finish line -- even though admittedly burdened by the less than perfect application of the lessons. Passion and commitment can make up for a lot.” – CHRIS JENNINGS**

**“At this late juncture, success is far from certain. The administration expresses confidence that it can round up the needed 216 votes to pass reform in the House – even if voting for the package would leave them vulnerable to defeat at the hands of Republicans in next November’s elections....Negotiations are still under way to bring on board a group of anti-abortion Democrats of uncertain number.... The tougher road may still be in the Senate, where (Sen.) Baucus and other Democrats are voicing skepticism that they can enact a reconciliation measure before their scheduled Easter recess begins on March 26.... The philosopher George Santayana famously wrote that those who forget the past are doomed to repeat it. The contemporary version applied to U.S. health reform may be that those who think they grasp the past’s complex lessons, and can therefore avoid at least some of the past’s complex mistakes, may yet be doomed to screw up anyway. This is because the ultimate enemy of health care reform is a kaleidoscopic, constantly shifting reality, and reality is governed by chaos theory.”**

**– SUSAN DENTZER**

**“While the odds of passing comprehensive health reform have see-sawed back and forth since January 2009, it appears that the Democrats are poised now to pass a bill. While the outcome of the legislative exercise, therefore, may well be different than under President Clinton, I wonder whether the Democrats may have overlooked one lesson: crafting major legislation that responds to the real concerns of the American people, and that can be sustained in future years with broad support. As one of two members of your expert panel who worked for Republicans, I am concerned that most Republican ideas on reform have not been included in a final package. And, as an American citizen, I am concerned that the legislation may not be as durable as its framers hope, given substantial current opposition from the American people. The more the American public has learned about the legislation—and the process used to pass it—the less they have liked the product.” – DEAN ROSEN**

**“It is not over yet. But the president and the members of Congress who are in favor of reform need to be clear: Even if a bill is passed, the issue of the implementation of health reform will continue to be an easy target for those who wish to make short-term political points. Putting the tools in place so that our system can slowly be fixed is of paramount importance to the nation, but the president and those who have the courage to take the hard votes must understand that they are unlikely to be thanked in the next election, but they will have history on their side.”**

**– CHRISTINE FERGUSON**

**“Most of the ‘lessons,’ old and new, revolve around the process of getting to agreement on a reform plan. What we can’t lose sight of is the reform itself, and the inherent costs of maintaining the status quo. Whether Congress passes reform this spring or not, we’ll soon know. Whatever happens, we ought to realize that our stake in seeing reform succeed is enormous. We should commit now to working in a bipartisan way toward that goal.” – ED HOWARD**