

2008 Candidates Vow to Overhaul U.S. Health Care

by *The-New-York-Times*

WASHINGTON, July 5 — There is no better measure of the power of the health care issue than this: Sixteen months before Election Day, presidential candidates in both parties are promising to overhaul the system and cover more — if not all — of the 44.8 million people without insurance.

Their approaches are very different, reflecting longstanding divisions between the parties on the role of government versus the private market in addressing the affordability and availability of health insurance. Republicans, by and large, promise to expand coverage by using a variety of tax incentives to empower consumers to buy it themselves, from private insurers. Conservatives warn, repeatedly, of Democrats edging toward the slippery slope of “government-controlled health insurance,” as former Mayor Rudolph W. Giuliani of New York puts it, and promote the innovation and choice offered by private insurers.

The major Democratic candidates propose strengthening the private-employer-based system, through which most working families get their coverage. But many Democrats also see a strong role for government, including, in some plans, new requirements that individuals obtain insurance and that employers provide it, along with substantial new government spending to subsidize coverage for people who cannot afford it.

Still, while they argue over solutions, both parties acknowledge the problems and their political urgency. Republicans, whose primaries usually turn on other issues, often wait until the general election to roll out detailed health plans; this time they are plunging into the debate far earlier. Democrats are competing furiously among themselves over who has the bigger, better plan to control costs and to approach universal coverage, a striking change from the party’s wariness on the issue a decade ago after the collapse of the Clintons’ health care initiative.

And both parties are closely watching the action in the states as potential blueprints for a centrist compromise, especially in Massachusetts, which just began a major plan intended to require that every individual have insurance.

In short, says Jonathan Gruber, an economist, health expert and Clinton administration veteran, the times are “radically different.”

In fact, when Senator Barack Obama of Illinois unveiled a plan intended to cover tens of millions of uninsured Americans, but not requiring coverage for all, some Democrats in rival campaigns argued that he had not gone far enough. Senator Hillary Rodham Clinton, once vilified as overreaching on health care, is now more often faulted in her party as moving too slowly. Mrs. Clinton’s 1994 plan, attacked at the time from the left, right and center, is presented in the new Michael Moore documentary, “Sicko,” as a tragic missed opportunity.

This amount of attention, this early, comes in response to the growing anxiety among voters — and much of American business — about the cost of health care. Premiums for family coverage have risen by 87 percent since 2000, according to the Kaiser Family Foundation. The number of Americans without insurance has grown steadily, to what the Census Bureau estimates as nearly 45 million, from 37 million when the Clintons first confronted the issue.

Businesses say that health costs are a huge liability in their struggles to compete in a global economy, most vividly in the auto industry. And health care is now rated the top domestic issue in some recent polls among Democrats, independents and voters over all. Among Republicans, it was surpassed only by immigration in June, according to the latest Kaiser survey. A Democratic pollster, Geoffrey Garin, says: “There are a bunch of issues that candidates can take a pass on. This is not one of them.”

On the Republican side, few candidates have been better prepared to deal with the issue than former Gov. Mitt Romney of Massachusetts, who helped push through that state’s health plan with bipartisan support. But Republican primary voters tend to be leery of new government requirements, and, arguably, of Massachusetts as a role model. Mr. Romney, on the campaign trail, talks generally about getting “everybody inside the health care system,” through “market reforms” state by state to make private insurance cheaper and more available. But not, he says, “with a government takeover.”

Sally Canfield, policy director for the Romney campaign, says that Mr. Romney is proud of his record, but “the Massachusetts plan was crafted for Massachusetts,” and that a national plan would be different. For example, aides said he did not support a federal version of the Massachusetts requirement that individuals

obtain insurance.

Mr. Romney's rivals are casting themselves as equally committed to improving the health care system, but even more determined to use free-market principles to do so, which they hope will prove them more attuned to the Republican base. Mr. Giuliani plans to produce a major proposal in the next month, aides say, that will elaborate on his commitment to "affordable and portable free-market solutions."

Mr. Giuliani says he wants to give individuals more control over, and responsibility for, health insurance, encouraging them to buy their own coverage on the private market and giving them "a very big tax deduction" to do it. Right now, most Americans under 65 get their coverage through their employers, who have the benefit of significant tax advantages, pooled risk and group rates.

Mr. Giuliani's approach echoes President Bush's call for an "ownership society," which was popular with economic conservatives but widely criticized as putting too much risk on individuals. "Every one of the Democrats wants government-mandated health insurance," Mr. Giuliani said recently. "We have to go in exactly the opposite direction."

Senator John McCain, Republican of Arizona, will also outline a health care plan this summer, aides said. They said it would be intended to make coverage "affordable and available," using tax credits and the expansion of programs like the State Children's Health Insurance Program, but would include no new mandates on individuals.

Analysts say the Democrats are clearly drawing lessons from the health care battles of 1993-4, when a similar public groundswell for change collapsed in a matter of months. The 1,342-page Clinton plan at that time was bewilderingly bureaucratic and easy for opponents to characterize as something that would actually worsen the status quo for many insured Americans.

This year, the major Democratic proposals "including Mr. Obama's, one from former Senator John Edwards of North Carolina and a plan expected from Mrs. Clinton" are arguably ambitious and costly, but do not try the wholesale reinvention of the system, or move explicitly toward the government takeover Republicans so often predict.

"There's not a lot of untested political ideas out there," said Robert Blendon, a professor in health policy at Harvard.

The major Democratic plans announced so far try to cover nearly everyone by shoring up the employer-based system, creating new public insurance options and establishing new health insurance purchasing pools that offer a variety of private and public plans to people who cannot get coverage through work. People who could not afford coverage would get subsidies. Given those supports, some Democrats (including Mr. Edwards and "it is widely expected but not yet announced" Mrs. Clinton) back the idea of requiring every individual to obtain insurance.

Mr. Edwards and Mr. Obama call for financing their plans with revenue from ending the Bush tax cuts for the wealthiest Americans; those cuts are set to expire in 2010.

Diane Rowland, executive vice president of Kaiser, said candidates were responding not only to recent failures, but also to recent successes, notably in Massachusetts and potentially California.

"To get something enacted, you need a lot of people who think they will gain from it," Ms. Rowland said. "It's a new way of talking about health reform, because it shows people with health insurance what they could gain. These proposals are not just about the haves versus the have-nots."

Few have taken that advice more to heart than Mrs. Clinton, who is rolling out her proposals to control costs and improve quality before her ideas for covering the uninsured, which are expected in the next few months. She recently, for example, proposed a "Best Practices Institute" to assess the most effective treatments and procedures.

Another hallmark of this year's plans, in both parties, is a reliance on better health information technology and disease management to hold down costs "not the more rigorous regulatory structures proposed in 1994, which critics asserted would soon lead to rationing.

By the time Election Day rolls around, polls indicate that the issue will be front and center, setting the stage for another great battle to overhaul the system under the next president. Veterans of the Clinton administration say it all feels familiar.

"If the Democrats win, it will be very hard not to take this issue on," said Mr. Gruber, who is helping to carry out the Massachusetts plan. "It will be as promising as it was in the early 1990s."

By Robin Toner
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