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Economic Scene

## Big Questions Still Linger on Eve of Health Care Meeting

By [DAVID LEONHARDT](#)

Three years ago this month, a presidential candidate — [John Edwards](#), as a matter of fact — started a debate on health reform by [announcing a plan](#) to cover the uninsured. Since then, we've had an election, town hall meetings, speeches, Congressional hearings and a special election in Massachusetts.

Now comes Thursday's bipartisan meeting at the White House, which feels a bit like the start of the final act. And Congress could still end up passing a sweeping bill, a small bill or no bill at all. What follows is a guide to the big lingering questions:

Isn't this meeting just for show?

Yes, mostly. Democrats and Republicans are well aware of each other's ideas by now. But the meeting still matters.

The White House's biggest mistake has been its hands-off approach to the process. [President Obama](#) and his aides forgot about what economists call the time value of money — and of political capital.

As a result, health reform has flirted with failure more than once. After those raucous town hall meetings, Mr. Obama needed a [prime-time address](#) to get the effort back on track. More recently, [Scott Brown](#)'s victory in Massachusetts stopped everything, even though the Senate had already passed a bill and the House could pass that bill this afternoon.

Politics matters, which is why Thursday's meeting matters.

So what does each side want out of it?

There will be lots of preening about who is less partisan. But driving the two sides' behavior more than any policy details is this: The White House and many Democrats really want a major bill to pass, and the Republicans really don't. A bill would snatch victory from defeat for Mr. Obama, and it would be a victory that eluded [Bill Clinton](#), [Richard Nixon](#) and [Harry Truman](#). No bill would make the Democrats look incompetent.

Are you telling me there are no bipartisan compromises to be had?

Not at all. There are some excellent ones.

Let's agree that a bill should cover millions of uninsured — a Democratic priority — but do so largely through private insurers — a Republican principle. Then let's say that the bill should [reduce the growth](#) of health costs, so our grandchildren aren't spending half their income on [Medicare](#) taxes.

That suggests a bill requiring people to have insurance (to prevent freeloading), regulating insurers (to prevent them from cherry-picking the healthy), subsidizing coverage for the uninsured and small businesses and including no new [government-run insurance program](#). All this describes [the current Obama plan](#) and the bills that have passed the House and Senate.

They are [far from radical](#), but they do lean left. And they would benefit from a few more conservative ideas. Specialized [health courts](#) could introduce more sanity to the malpractice process. [Competitive bidding](#) could become a bigger part of Medicare. Government subsidies for the costliest insurance plans could be cut immediately — [not in 2018](#), as Mr. Obama has proposed.

One more thing: I'm not sure whether paying [hospitals](#) for good care, instead of more care, is a conservative idea. Republicans have blasted the Democrats' proposals for doing precisely that. But [Newt Gingrich and Bill Frist](#), former Republican leaders, are right that the bills don't go far enough. A compromise plan could.

Madame Speaker, I present the Bipartisan Health, Wellness and Fiscal Responsibility Act of 2010.

You're sounding more hopeful. I like it.

You're forgetting the part about politics mattering.

Republicans have shown little interest in negotiating a big compromise. Remember how [Charles Grassley](#), the top Republican on the Senate Finance Committee, kept [moving the goal posts](#) last summer? This is basic game theory: the better Mr. Obama looks, the worse the Republicans' chances are in the midterm elections.

Philosophy plays a role, too. Some Republicans believe it's not the government's job to help people get insurance.

Mr. Obama, for his part, has shown little interest in adding conservative ideas that do not win him more votes in Congress. House [liberals are already unhappy](#) enough.

It's not just the politicians' fault, either. [AARP](#) opposes some new payment systems, worrying that the elderly will be hurt. [Union leaders oppose](#) a tax on high-cost insurance, fearing members will lose good benefits.

Business executives oppose giving workers [more freedom](#) to choose their own coverage, because companies like having control over health plans.

But aren't business executives always saying that health costs are killing them?

Yes, but that's mostly a sound bite, as the last year has showed. Companies care about how much total compensation they pay. Rising health costs generally come out of worker incomes, not company profits.

If health costs were killing businesses, don't you think businesses would have lobbied for measures to reduce costs? Instead, they have been silent or even opposed.

The fact is, any major change to the health care status quo is scary. We all tend to focus more on what might be worse than what might be better.

So what happens from here?

Republicans will use this week's meeting to point out that the current bills are unpopular and to argue that Mr. Obama is proposing a government takeover of health care. As Representative [John Kline](#) of Minnesota, the ranking Republican on a House health committee, told me, "No Republican is going to go back to his home district and say, 'You know what? I was wrong about the health care bill.' "

Mr. Obama will emphasize his plan's specifics, which tend to be more popular. He is also likely to push Republicans for independent evidence that their ideas would work. At [a recent meeting](#) with Republicans, he argued that they couldn't just say they favored lower health costs. "I mean, that's an idea we all embrace," he said.

The [Congressional Budget Office has estimated](#) that the House Republicans' health plan would cover three million people over the next decade and reduce the deficit by \$68 billion. Expect the Democrats to note that both the House and Senate bills would cover more than 30 million people and reduce the deficit by about \$100 billion.

What happens after Thursday?

The initial action will be among Democrats. If a simple majority of House members and senators agree on a bill, they can pass it.

And if they can't?

Then they will try for a bill that covers many fewer people. It could help young adults stay on their parents' insurance or could cover some of the eight million uninsured children. And a much-reduced bill might win some Republican votes. "The only reasonable way to make progress is to take a smaller bite," Mr. Kline says.

To take an example from another area — unemployment — nearly all Senate Democrats and five Republicans voted Monday for a [\\$15 billion jobs bill](#).

But haven't I read [economists saying](#) that a bill that small will make almost no dent in unemployment? Is that sort of thing the only hope for bipartisanship?

It depends on what you mean by bipartisanship. Nothing is stopping Mr. Obama and Congressional Democrats from adding more Republican ideas to their health plan — and not just fig leaves. If the Democrats did that, they would have a bill worthy of the name bipartisan.

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