

## **COMMENTARY: THE NATION'S HEALTH POLICY AGENDA— REAL, AND REALISTIC, OPPORTUNITIES FOR PROGRESS**

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What can the nation expect with regard to major health policy developments in the next few years? Some have expressed concern, bordering on despair, that prospects for “progressive” priorities will go nowhere given the results of the recent election. I view it as far more helpful to look realistically toward the likely health care agenda to be pursued by the administration and Congress. Doing so, I see a number of opportunities for real progress, even if it’s more focused than some might like.

A Republican president was indeed reelected, and with him, Republican control in both houses of Congress has expanded. That hardly means that the country should give up on the prospect of seeing needed changes to the U.S. health care system. Much needs to be done and Republicans have espoused a number of helpful reforms. But a dose of realism would be helpful as we look toward the likely policy agenda to be pursued by the administration and Congress.

First, there is likely to be little new federal (or, for that matter, state) money for major expansions in health care coverage. Democrats and others may challenge extensions of tax reductions and argue that those revenues could easily provide the funds needed to cover the uninsured, but the tax cuts are unlikely to be rolled back. In addition, the president has articulated two domestic priorities for his second term: tax simplification and Social Security reform. Both are under the jurisdiction of the Senate Finance Committee and House Ways and Means Committee. These two committees also would be responsible for any major new health care legislation. It’s difficult to imagine, therefore, additional new initiatives of any import being directed to these two committees.

Nonetheless, there is much that can be accomplished in this second term to improve the health care system in some key areas. The most important first step is to implement the Medicare Modernization Act (MMA), passed by Congress a year ago. Implementing this measure “right and on time” will not be easy. Doing so will primarily involve the administration, but ultimately Congress will need to provide legislation to correct the inevitable problems that become apparent during implementation.

Second, there is widespread agreement that the United States needs to improve patient safety and reduce medical errors. These are issues that have been embraced by both parties and by the Congress and the president, and taking effective action need not necessarily require substantial new federal monies. The MMA directed the Institute of Medicine, which brought substantial attention to the issue of patient safety five years ago with its landmark “To Err is Human” report, to make specific recommendations about ways to measure performance and strategies to reward providers for better performance. While some of these efforts may be able to be enacted administratively, many will require new legislation.

Third, there is also widespread agreement that the information side of the health care system needs to be made as sophisticated as medicine’s procedure and device side. How to do this, and how to define the appropriate role for the federal government, is less clear. As in many areas of health care, “the devil is in the details.” But new legislation will undoubtedly be needed, and that provides an opportunity for real movement in this crucial area.

Fourth, medical liability remains a strong interest of the president and has been increasingly raised as an issue affecting access to health care, particularly in certain key specialty areas. While historically

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there have been deep divisions between the political parties on liability issues, it is possible that strategies to improve patient safety may become the bridge between these two warring sides.

Fifth, there are ways that we can improve and expand access to care while staying within likely budget constraints. For example, making sure that all of those eligible for Medicaid are actually enrolled is an approach that has been embraced by both parties. Further efforts need to be made to ensure that this happens. Substantial disagreements remain about the validity and viability of refundable tax credits for the lowest-income populations, but this may be a time when further experimentation can be given to this idea. An effective new policy option could be the result. What is clear is that dismissing (and “dissing”) refundable tax credits, Health Savings Accounts, and Association Health Plans, without any attempt to gauge the demonstrated effects of these approaches is unhelpful.

Some of these ideas are reflected in the results of The Commonwealth Fund’s first Health Care Opinion Leaders Survey. It is not surprising that the survey reveals broad consensus about expanding coverage to the uninsured. It is encouraging that there is substantial agreement that coverage expansion might allow individuals and small business to buy into the Federal Employees Health Benefits Program (FEHBP). This is also an idea that need not cost the federal government new monies and one that both Democrats and Republicans have championed over the years. Here, again, the details are important. Do we mean literally buying into FEHBP, or a plan that contains benefit packages that look like what federal employees have available to them? Would the cost of such benefits be reasonable and affordable? These and other issues must be addressed if this approach is to become a viable policy option, but exploring this notion further makes sense.

Expanding state-based insurance, another area ranked as a high priority by survey respondents, is more ambiguous, since support for this idea is likely to depend on the answers to the question of who should be covered by such expansions and under what terms. Policymaker support for extending state-based coverage for those under 150% of the federal poverty line, for example, is likely to differ greatly from support for those who have substantially higher incomes—say, 300% or 400% of the poverty line.

It is encouraging that improving the quality of medical care and patient safety ranks as the survey respondents’ second highest priority for Congress’ health policy agenda. I find it interesting and a little perplexing that rewarding more efficient providers receives strong support as a specific issue, but that reforming Medicare payments to reward quality and efficiency is not regarded as a high priority. As it happens, my personal opinion is that differentiating payments to providers under Medicare is likely to follow similar efforts in the private sector, but only for political reasons.

I find it interesting, but not surprising, that respondents rank reforms to moderate the rising cost of medical care and the rising cost of prescription drugs as less important, listing them as their fourth and sixth priorities for Congress to address. Since it is not obvious which policies the respondents would have embraced or recommended had they ranked these priorities higher, it might be that they focused on areas more directly amenable to public policy change.

Finally, a word of caution to the uninitiated about survey reporting: the Commonwealth Fund survey had a response rate of 28%. This is not a bad response rate for an online survey. But it means that 72% of those sampled did not respond, and it is not clear whether those that did respond are representative of the entire sample. Readers should keep this in mind when considering the views reported.

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