

Why Health Reform Happened

POSC 459 — Social Welfare Politics and Policy

Week 10 · Monday, October 26

Jacobs and Skocpol, ch. 1 · Hacker (2010), "The Road to Somewhere"

Your midterm, back today

Part	Points	Command	Working	Coverage
I. Five IDs	25	5 each: meaning, source, what it explains		
II. Essay	50	46–50	40–45	34–39
III. Program	25	23–25	20–22	17–19

Comments are on the cover and in the margins. Scores are in Canvas.

What the strong books did

1. Took a position someone could dispute, in the first paragraph
2. **Applied** the concept, not just named it
3. Evidence with a program, a year, a number, an author
4. Argued the final turn: the concession, the complication, the test case

Questions about a score: office hours or email this week, book in hand

Today

1. The broken system, 2009: Jacobs and Skocpol
2. The window: 2008 and the decision to go
3. Hacker's three questions: why passed, why limited, why angry
4. Pat Tumulty's four problems
5. Wednesday and the brief

This week

Mon 10/26	Jacobs and Skocpol ch. 1 · Hacker (2010)
Wed 10/28	Jacobs and Skocpol ch. 2–3: the year of pitched battles
Wed 10/28	Policy brief due 11:59 p.m., Canvas
After you submit	Term Paper Dialectical Partner unlocks in PapyrusAI

Four questions

Why did it take a century?

Why 2010?

Why so much less than reformers wanted?

Why so angry?

1. The broken system

"So You Think You're Insured? (Think Again)"

Time, March 16, 2009

Pat Tumulty, San Antonio. Six years without job-based coverage.

Six-month Assurant policies, high deductible.

Kidney failure. "Preexisting condition." Claim denied.

Hospital's highest rates. Texas Medicaid: adults with children, 26% of poverty.

Jacobs and Skocpol, pp. 1–2

Who was uninsured

38 million working-age Americans and family members
Three-quarters work. More than half full-time.

Wage fifth	Uninsured, ~1980	Uninsured, late 2000s
Top two-fifths		still over 90% covered
Middle	5%	12.4%
Fourth	under 10%	21.9%
Bottom	18%	37.4%

Jacobs and Skocpol, p. 3; plus 16 million underinsured

Paying more for less

Country	Health spending, % GDP, 2006
United States	15.3
Switzerland	11.3
France	11.0
Germany	10.6
Canada	10.0
Britain	8.4

US: 7.2% of GDP in 1970 → 15.3% in 2006 → 17.6% projected 2009

Infant mortality: 28th in the world

Jacobs and Skocpol, pp. 3–4, OECD

How it came to this

- 1880s–1945: other rich countries go universal; the US tries and fails
- **1940s: Truman loses.** Hospitals, research, and patents get funded instead
- Unions and big employers buy tax-subsidized coverage; the "haves" no longer need the "have-nots"
- **1965: Medicare and Medicaid** fill the gaps private insurers won't touch
- Late 1970s on: costs explode; a million more uninsured every year
- 2000–2007: public programs stall; SCHIP vetoed; Part D unpaid for

Jacobs and Skocpol, pp. 5–8

2. The window: 2008

- Las Vegas forum, March 24, 2007: Clinton and Edwards have plans. Obama "could wing it"
- Obama's plan: October 2007. No individual mandate. "Affordability"
- Clinton: his plan "simply flunks the test" on universal coverage
- June 2008: Bristol, Virginia, the first general-election event. Health care, by story
- October 2008: Obama attacks McCain for "taxing health benefits for the first time ever"

Jacobs and Skocpol, pp. 10–14

November 2008

Popular vote	53–46
Electoral College	365–173
"Most important issue": the economy	63%
"Most important issue": health care	9%
Worried about affording health care	66%

Jacobs and Skocpol, pp. 14–16, exit polls

The decision to go

Delay: Biden, Axelrod, Emanuel, Geithner. "I don't want to fail."

Go: Kennedy, Baucus, the party base. Orszag: no deficit control without health reform.

Obama: "victories would beget victories"

- Feb 26, 2009: \$630 billion "down payment" in the budget
- Mar 5, 2009: White House summit, both parties, every interest group
- Target: bills through both houses before the summer recess

Jacobs and Skocpol, pp. 16–20

3. Hacker's three questions

Why did it pass?

Why so limited?

Why so polarized?

Hacker (2010), p. 862

Why it passed: the standard answer

Democratic president + Democratic Congress, 2006 and 2008

Fewer Jim Coopers: a more homogeneous caucus

Necessary. Not sufficient.

"Why this approach? Why this session? Why did Obama push forward given how much else was on his plate?"

Hacker, pp. 863–864

Why it passed: three factors

Factor	1993–94	2009–10
Economic context	Short 1991 recession	Deep downturn; 2-to-1 said "take it on right now"
Group conflict	Harry and Louise 1.0: "There has to be a better way"	Harry and Louise 2.0: "It's about time"
Democratic coalescence	Single payer vs. play-or-pay vs. incrementalism	One plan, the Massachusetts template

Hacker, pp. 864–867

The groups switched sides

- Industry was being priced out of its own customers; fewer insured meant fewer paying patients
- **AHIP**: regulation in exchange for a coverage requirement, the Massachusetts deal
- **PhRMA and hospitals**: early deals; modest givebacks, White House protection
- **AMA**: endorsed both bills, waiting on the Medicare "doc fix"
- Lobbying, 1998–2010: **\$4 billion**; 2009 alone: **\$500 million+**

The quid pro quo: more public regulation and financing in return for guaranteed customers

Hacker, pp. 864–865

Democrats sang from one hymnbook

- Massachusetts 2006: mandate + Medicaid expansion + exchanges
- Plus: stronger cost controls, employer requirements, a **public option**
- **HCAN**: unions, think tanks, advocacy groups; a pledge list, 190 members of Congress
- Modeled on Americans for Tax Reform's no-new-taxes pledge
- The lesson of 1994: "one shot when the window opened"

Hacker, pp. 866–867

Why so limited: the plan itself

"It incorporates all sorts of Republican ideas."

— Barack Obama, *Today*, March 2010

- Romney's 2006 Massachusetts law, shaped by the Heritage Foundation
- Close to the 1993 moderate-Republican alternative to Clinton
- The "Obama-Romney-McCain Health Plan"

Roots: the employer-based path, and **Medicare 1965**, which covered the sympathetic and left the rest

Hacker, p. 867

Why so limited: the Senate

Cloture motions filed since 1919	1,200+
Filed since 1981	over 80%
Filed since 1993	over 60%
Bob Dole, 1994	"You need 60 votes to do anything around here"
The Gang of Six	6 senators, 2.7% of Americans
Max Baucus, health-industry money, 2007–08	\$1.5 million

Hacker, pp. 867–868

What the House passed, and the Senate killed

Provision	House bill	Senate bill	Final law
Public option	✓	✗	✗
National exchange	✓	state exchanges	state exchanges
Tough employer requirement	✓	weak	weak

"What stood in the way of the public option... was less Joe Lieberman than a once-obscure procedural rule."

Hacker, pp. 868–869

Why so limited: the CBO

Three fights the White House picked, against public opinion:

1. The **individual mandate**
2. The tax on **high-cost plans**
3. An independent **Medicare commission**

Reason: the CBO score. The mandate kept the exchanges from becoming a dumping ground; the plan tax scored as savings.

The public option would have saved ~**\$150 billion** over ten years. It faced the fiercest group resistance, so it went.

Hacker, pp. 869–870

Why so angry

"American politics has often been an arena for angry minds." — Hofstadter, 1964

- The provisions polled well. "The health care bill" polled at ~50% or less
- Only about half knew the popular provisions were in it
- Tea Party supporters: slightly upscale, very conservative Republicans
- **Asymmetric polarization**: the GOP moved right; moderates lost first
- **Zero** Republican votes for the final bill, either chamber

Hacker, pp. 870–872

Was it worth it?

Harkin: a **"starter home"**

Social Security's "cruel hoax" to "third rail" took decades, in a friendlier fiscal climate, with a simpler program

No tangible benefits for years. A complex statute to implement and defend.

| "Policy substance matters."

Hacker, p. 872; Lasswell: who gets what, when, how

4. Pat Tumulty's four problems

Problem	What would fix it?
No job-based coverage, six years	
Policy cancelled after diagnosis	
Hospital list prices, no bargaining pool	
Texas Medicaid: adults with children only, 26% of poverty	

3 minutes with a neighbor. Name the provision, from ch. 1–4 or anything you know

Wednesday: the year of pitched battles

Jacobs and Skocpol, **ch. 2–3**

Who fought for what, why, and how

Summer 2009, the town halls, Scott Brown, and the final votes

Read for: which of Hacker's three factors shows up in the fight, and which one almost failed

Wednesday, 11:59 p.m.: the policy brief

- Your program, your two columns from the memo, now as a brief
- Every Column A claim has a source you **read**
- The scaffold rubric and the student guide are on Canvas
- After you submit: the **Dialectical Partner** opens. It argues back. It will not write for you.

Questions: office hours Tuesday, or email the draft

By 2:15 you should be able to say

It passed because the groups split, the party agreed, and the window opened.

It was limited by the path, the Senate, and the score.

It was angry because of a party, not the public.

Wednesday: ch. 2–3, and the brief at 11:59