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Four Years Later: Perspectives on the Affordable Care Act

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BLOOMINGTON, Ill. — Weeks before the Affordable Care Act was signed into law on March 23, 2010, Illinois Wesleyan Professor of Political Science Greg Shaw published *The Health Care Debate* (Greenwood Press, 2010), a history of America's health care and the attempts to change it.

Now, four years after so-called "Obamacare" reshaped history, Shaw gives his thoughts about how partisan agendas and consumer-focused attitudes toward health care continue to get in the way of needed reform.

***The Health Care Debate* went to press six weeks before Congress would vote on the Patient Protection and Affordable Care Act (ACA). How did you decide to end the book?**

I wrote the final chapter in a way that reflected how the issue could go in a variety of ways, but that it looked like the law isn't going to pass, which would be in keeping with about 100 years of struggle in this policy area. We've been trying this since the 1910s.

That was four years ago. What developments in American health care would you discuss today?

I would trace the rather remarkable legislative process that we went through, that Congress went through, to get this bill passed into the law. It involved a lot of horse trading, that in some ways strengthened the law and, in some ways, hobbled the law or made it more cumbersome to use for states, citizens, and federal officials. In the end though, we have the most significant piece of health care legislation since the enactment of Medicare and Medicaid in 1965.

Shaw's book The Health Care Debate (Greenwood Press), which unravels the complex history behind America's ongoing health care debate, went to press six weeks before Congress passed the Affordable Care Act.

What has the ACA accomplished?

Democrats see the passage of the Affordable Care Act in 2010 as a once-in-a-generation accomplishment, bringing about 50 million more people under an insurance umbrella. That basic health care should be thought of as a basic citizenship right. A human right. On the Republican side of things, you can read this in a couple of ways. They see themselves as guardians against the encroachment of big government. Generations of people have been talking in these terms. And if that were the whole story, that could be compelling. But go back to the 1990s when William Kristol wrote in a strategy memo, "If you let the Clinton health care plan pass, it will cement loyalties of working class Americans for a whole generation to come, so do not negotiate. Kill this thing at every possibility you have." This time around, Republicans spent a lot of time talking about repeal

and very little time talking about what they would replace it with. That suggests to me that there aren't a lot of ideas on the other side of the aisle, other than health care savings accounts and tort reform. Those are things to talk about, but not the whole solution to 50 million uninsured people in this country.

A corollary is the rollout of Social Security in the 1930s and 1940s. Then the Democrats ended up passing a universal promise to a whole lot of people and won allegiances, frankly. Yet the Republican party fought that for the better part of 10 years, saying that it was financially not viable, a giveaway, and an inappropriate redistribution of income. But eventually people got on board, and to criticize Social Security now, for instance by calling for its abolition, is generally thought of as a career-ending move. The Affordable Care Act will probably reach that point, but we have a long way to go.

What are the next topics in reform?

For starters, I think we should re-envision Medicare to be a basic package of insurance to cover services for basic health care. It would perhaps not cover many elective procedures, and include strong disincentives for people to seek care inefficiently, for instance, frequent trips to the emergency department. People of a little bit of means could buy an augment policy to fill in the co-payments or other gaps that Medicare leaves. This model gets used in a lot of places; about two-thirds of Canadians have a private policy to augment their state or provincial policy.

Another part of it, and this is the harder issue, how to make Medicare more viable for chronically ill, the elderly, and long-term institutionalized nursing-home folks. We spend over $30,000 a year on average, in the last couple years of life, under the Medicare program. But at some point discussions about palliative care have to trump discussions about heroic measures and that's a painful conversation.

We have a heightened sense of "can do" medicine around end-of-life issues and being able to stretch life just a little bit more. Americans who like to brag that we have the best health care system in the world are usually talking about our high-tech medicine and our ability to get people to survive catastrophic illnesses and cancers. What we do less well is meeting basic needs like fighting infant mortality and extending life expectancy. For men or women, we are 2 to 3 years less in terms of life expectancy than other industrialized democracies.

Greg Shaw is professor and chair of political science at Illinois Wesleyan. He teaches courses on Congress, the presidency, and political psychology. He researches public opinion and how it influences social policy.

You said that the U.S. is basically the only industrialized democracy that doesn't have a national health plan. Is that because we're a much younger country?

No. A number of European governments basically started over with state-building between the wars, or after the second World War. Many of them envisioned a social welfare state that was rather elaborate. They were building on historical traditions of broad notions of citizenship and state involvement in the economy that did not exist in the United States. We were ambitious in the way of the GI Bill and so forth, but we didn't remake the state fundamentally.

Why do we resist socialized medicine, in a European or Canadian model?

The arguments about socialized medicine really are fighting a couple of things.

One is this longstanding notion of up-by-the bootstrap, rugged economic individualism that gets in the way of thinking that government can somehow orchestrate my health care market. People envision that they want small government, even if they don't necessarily want that because they love schools and parks and highways.

Another long-standing notion, in this country at least, is medicine as an entrepreneurial exercise. Ever since the rise of the American Medical Association in 1848, we've had medical groups arguing that practicing medicine is basically free enterprise, as much business as it is healing arts. And that 150-years-long history of depicting medicine as business is going to be difficult to overcome.

The other is an argument against redistribution of wealth. But we have done it over the years for many different programs. Before the Civil War veterans started dying in large numbers around 1890, Civil War pensions accounted for about 40% of all of the expenditure in this country. Of course, just Northern veterans, right? We are willing to do redistribution if the right cost comes on.

How are Medicaid and Medicare different from other wealth-redistribution programs?

Medicare or Medicaid are designed to meet basic needs in the same way that a dollar for education, a dollar for Social Security checks, or food stamps are designed.

One of the critical differences here is that these dollars do not go into the hands of poor people, they go into the hands of well heeled, politically well-organized interests, that is hospital groups and physicians' groups. States don't want to cut back on Medicaid payments because they know that 70% of those Medicaid payments are going to nursing homes. If they were just dollars being given to poor people, they would more politically vulnerable in the way that welfare dollars are vulnerable**.**

> We don't see people consuming health care services conspicuously the way we see them consuming cars and houses. Nobody looks at a new intestinal surgical procedure and says 'Wow, that's really cool. I need to get myself one of those,' just because they can afford it.

Do views about free enterprise apply to health care policy?

There's a fundamental misunderstanding about the nature of health care purchases that explains how different groups want to reform health care policies. In a nutshell, some people believe that health care is like any other economic market and pursue one set of strategies: that when people are exposed more fully to the cost of a commodity, they will shop judiciously and spend effectively. For example in health care, a co-payment is applied to visits to a physician or a nurse practitioner, so people will be more price sensitive and only go to the doctor when they really need to, not just when they have a sniffle. In the last couple of decades, employers have been shifting health care costs to their employees to get those employees to spend health care dollars prudently.

The flip side of this argument is a set of observations. First of all, we don't see people consuming health care services conspicuously the way we see them consuming cars and houses. Nobody looks at a new intestinal surgical procedure and says "Wow, that's really cool. I need to get myself one of those," just because they can afford it.

And poor people do not refrain from consuming health care services entirely. They take their children to the emergency department when their children are sick and struggle later to pay the bill. Or not. So people are not as price sensitive as you might think.

There are questions of life and death, literally, not convenience. Not “Do I like this sweater?” but “Am I going to continue living?” There's a critical edge to obtaining medical services that is not present in ordinary consumer goods.

Also there are massive “information asymmetries,” meaning that medical providers know a lot more about these services than their patients do. The idea of haggling, like over a car, is in many cases implausible. I'm just not equipped as a non-physician to take on my physician's judgment about what service to buy, for example, MRI or CAT scan or conventional X-ray.

And I want to offer that in order to be a fully functioning citizen, you need reasonably good health, and you need a basic level of services to achieve that.

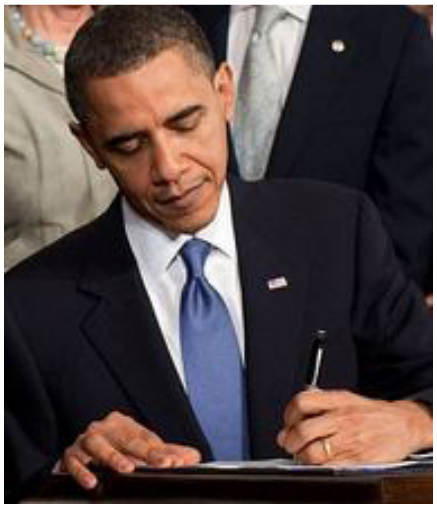
So to approach health care buying like any other market, I think, is fundamentally flawed.

What would be an ideal outcome in the health care debate?

Getting people to study how health care policy works and say “I want some of this and some of that.” We need to pick what works and stop thinking of this in terms of political advantage. That may be pie in the sky, and as a political scientist I suppose I should know that, but that's still my hope.

No party is going to be able to claim a slam-dunk victory on this. If the Democrats keep saying the ACA is the greatest thing since sliced bread, that's a disingenuous claim and they need to own up to that. We still need to address tort reform. And over-utilization. But neither can the Republicans say, “The solution is simply to abolish it” and somehow go back to what we had before, when we're spending $8,500 dollars yearly for every man, woman and child in this country in health care, about 17.5% of the GDP – more than anyone else by any measure. Switzerland is about 11% and they're they only ones who are even remotely close.

In America’s 150-year debate about health care, did we ever like our health care?



President Barack Obama signed the Patient Protection and Affordable Care Act into law on March 23, 2010.

It depends on what part of health care you're asking about.

When asked about how satisfied they are with their medical professionals, people tend strongly to report that they like the care that they're getting. They feel like they're getting the services they need. They have confidence in their medical professionals. When the question is asked that way, the answer is largely yes.

When the question is “Do you like your health care plan?” or about insurance, there is a little bit of a come down. And when people are invited to think about the health care system as a whole, criticisms really come out. “It's bloated, it's too expensive, it leaves people uninsured, it involves too much big government.” And this has a partisan edge to it.
Republicans latched onto this idea back in 2008-2009, and said to their folks, “Stop talking about the 'health care system' and start talking about 'your own health care,' because that's what people want to preserve. Their risk aversion will make them resist reform.” Whereas Democrats wanted to talk about the problems with the system, right? “The system spends too much, the system is broken, it is inefficient, it's not transparent, whatever.” The two parties were intentionally talking past each other.

So we have a strong partisan agenda when discussing health care reform.

We do. You see that in the way that Congress organizes the debates about this. You see that in the way states adopt (or don't) the health care exchanges and the Medicaid expansions. The partisan map looks a lot like the two features that I just mentioned. People are using political party as a shortcut for evaluating provisions of the law, which is a little bit pathetic.

Is there a single voice everyone trusts to give unbiased information?

People have their own trusted cue-givers but that's not what you're asking.

Progressive-minded proponents don't trust the AMA or the insurance industry. People who turn to think tanks will turn to the Heritage Foundation or the Center on Budget and Policy Priorities. The Kaiser Family Foundation is probably as close as you come to a no-nonsense source. They are permissive toward reform so they are probably seen as courting with the enemy, if you are of the Republican persuasion.

Maybe the Congressional Budget Office. That is built up to give financial figures to Congress in a straight-shooting way. But who sits down with the CBO? Members of Congress do that but you and I don't.

So, I am not sure that there is a trusted voice and that's too bad. To some extent, health care reforms proposals are like a Rorschach test. We see in them what we want to see.

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