Think Again • By Tim Nesbitt

Health care reform: Looking for the political sweet spot between hope for better and fear of worse

The most serious challenge for health care reformers now is not contesting the might of the pharmaceutical, insurance and hospital lobbies. It's controlling the height of our own expectations.

Hopes are high as we approach a legislative session with a new Democratic majority in Oregon whose members have promised to make health care more accessible and affordable for working families.

But if we learned anything about health care reform in recent years, it's that delivering victories takes more than force of will. It takes understanding the contradictions in popular opinion between the desire for better and the fear of worse.

Fear of worse got the upper hand in some spectacular failures, from the demise of the Clinton health plan in 1994 to the defeat of California's employer mandate 10 years later. Sure, these failures were orchestrated by well-funded business lobbies protecting their special interests. But their opposition campaigns worked because they stoked the public's suspicions of change, which is easy to do when reformers overreach in a health care system where the haves outnumber the have-nots.

The haves number more than 70 percent of Americans, if you count working families covered by employer-sponsored health plans and individual policies as well as seniors on Medicare — and more than 80 percent if you include the poor and disabled on Medicaid.

That leaves fewer than 20 percent of Americans who are the have-nots in this system. They are mostly working people whose employers fail to provide affordable health coverage and those felled by an unforeseen event (a layoff usually, combined with a serious illness) that spirals into physical and financial catastrophe.

I suspect that most of the have-nots who have not yet experienced outright catastrophe still look to a job with good health benefits as the solution to their plight, just as most of us haves focus on protecting the health coverage we earn on our jobs. And, that's what makes government intervention in the health care market so challenging.

First, for all its flaws, our employment-based health care system does a relatively good job of taking care of those it covers, both physically and financially. Second, so many Americans have so much to lose in this system that most of us are wary of major changes.

So, we readily vote for marginal reforms, such as the expansion of Oregon's prescription drug purchasing pool, and soundly reject more ambitious overhauls, such as the health-care-for-all initiative on the ballot here in 2002.

As Hillary Clinton learned 12 years ago, it is easy to overreach when it comes to health care reform. "I learned ... the wisdom of taking small steps to get a big job done," she told The New York Times last year.

But can small steps ever get this job done? That's the question to be answered in Oregon's upcoming legislative session.

I'm not worried about the modest reforms, such as access to the prescription drug purchasing pool for small employers, disclosure of hospital pricing practices and rate-setting reviews for health insurers. On these issues, the battle lines will be drawn between consumer advocates and the industry's special interests. Those are good fights to have, with nothing to lose and at least a little to gain.

But we'll also see more ambitious proposals whose practical reach may well exceed their political grasp.

Gov. Ted Kulongoski will advance a proposal to offer state-subsidized health coverage to all children in low and middle-income families. Polls show this is a popular proposal. And it would be no small step to provide health care for all children. But its financing is dependent on an increase in tobacco taxes that will require a three-fifths vote of the Legislature.

Senators Alan Bates and Ben Westlund and former Gov. John Kitzhaber will offer even more ambitious proposals to restructure our entire health care system at the state level.

The Bates-Westlund plan would use a combination of employer and individual mandates to finance a state-sponsored system of universal health care. Employers like Wal-Mart would have to pay more, but so would middle-income and higher-income individuals who would otherwise go without coverage. Who pays how much is a tough issue to be decided by a three-fifths vote of the Legislature.

Kitzhaber's plan would restructure benefits to emphasize cost-effective preventive care over cost-prohibitive end-of-life care, with a financing mechanism that would reduce government subsidies for employer-sponsored health insurance. Opponents of his plan will stoke fears in two constituencies — seniors who want to keep their Medicare benefits and working families who want to protect the health insurance they get from their jobs.

The Bates-Westlund and Kitzhaber plans would be huge steps forward. As such, they will inspire health care reformers to reach for the brass ring.

But I'm concerned that the public still isn't ready for major overhauls of our health care system. If we overreach again, we could end up losing even the Governor's Healthy Kids plan and be left no farther down the path to health care reform than we are today.

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