

## The Ugly Truth about the Ugly Politics of Health Care

Alice Rivlin has written two essays in one: the first, a description and defense of the Affordable Care Act (ACA), President Obama's signature social policy achievement during his first two years in office; the second, a call for a bipartisan agreement to reduce the trajectory of future budget deficits, including major changes in federal health programs. Rivlin has worked tirelessly for decades to put the country's fiscal affairs in order, as a scholar at Brookings, as director of the Congressional Budget Office and the Office of Management and Budget, and most recently as a prime mover in the deficit reduction plans of the Bowles-Simpson and Domenici-Rivlin Commissions.

As a veteran of Washington policymaking, she is fully aware of the polarization of the parties that defines politics in America today and acknowledges that the ACA was enacted by the Democrats over the unanimous opposition of the Republicans. Nonetheless, she believes that no progress can be made on putting the federal budget on a sustainable track for the future without forging a broad bipartisan agreement. Rivlin's belief in the imperative of bipartisan cooperation on the budget extends to the future of health policy. In Rivlin's view,

### AUTHOR



Thomas E. Mann  
Senior Fellow,  
Governance Studies

The W. Averell Harriman  
Chair

Republicans should therefore drop their pledge to repeal or disable the ACA and work with Democrats to strengthen it, while Democrats should accept capped block grants in Medicaid and the addition of a premium support system to the traditional fee-for-service Medicare.

That strikes me as fanciful. There was a time not so long ago when many in both parties relished the opportunity to work with colleagues across the aisle to at least try to reach agreement on health and fiscal policy. But those days are gone. As documented comprehensively by several Brookings scholars and other political scientists, Americans now live in an era of sharp partisan polarization, the most extreme in over a century, in which Democrats and Republicans have sorted themselves into two opposing camps based on conflicting values and ideologies. This polarization is not limited to elected officials in Washington but extends to party activists as well as to the 90 percent of voters who identify with or lean toward one of the major parties. The parties in Congress engage almost continuously in strategic team play to increase their chances of holding or reclaiming the White House and Senate and House majorities. Finding workable solutions to pressing problems routinely plays second fiddle to strengthening the party brand in the next election.

These parliamentary-style political parties operate in a separation-of-powers political system that makes it extremely difficult for majorities to act. The routinization of the filibuster in the Senate has greatly increased the degree of difficulty. The mismatch between the party and governing systems is a formula for willful obstruction and policy irresolution.

It is even worse. The Republican Party has become an insurgent outlier—ideologically extreme; contemptuous of the inherited social and economic policy regime; scornful of compromise; unpersuaded by conventional understanding of facts, evidence, and science; and dismissive of the legitimacy of its political opposition. The Republican Party of not so many years ago was populated in the Senate with moderates like John Chafee, Jack Danforth, and David Durenberger and pragmatic conservatives such as Alan Simpson, Pete Domenici, and Bob Dole (and in the House by their counterparts). That party has been replaced by one committed absolutely to lower taxes, smaller government, and fewer regulations—and prepared to relitigate a century's worth of social and economic policy. Olympia Snowe's retirement is perfectly understandable: there is no room for her in

the GOP. As former Reagan Treasury Department official Bruce Bartlett recently observed of his own party, “It has gone crazy.”

The post-McGovern Democratic Party, on the other hand, tempered by electoral setbacks and repositioned by the Clinton presidency, is more ideologically centered and diverse, protective of the government’s role as it developed over the course of the twentieth century, but respectful of markets and open to policy adjustments to cope with demographic changes and fiscal pressures through bargaining and compromise.

This striking asymmetry between the parties, which journalists and nonpartisan analysts and activists often whitewash in a quest for “balance,” constitutes a huge obstacle to effective governance. The struggle over health care policy during the past several years makes that asymmetry crystal clear, as do the reform plans of all of the Re-publican candidates seeking the presidential nomination.

In spite of serious and agonizingly protracted efforts to encourage negotiations with Republicans, President Obama and his Democratic colleagues in Congress failed, as Rivlin notes, to attract a single GOP vote in the House or Senate for health care reform. The plan proffered by Obama was explicitly built on ideas earlier championed by Republicans and conservatives. It was negotiated with provider groups, had the overwhelming support of the health policy community, included as its centerpiece market--based state exchanges for private insurance while eschewing a public plan, embraced virtually every extant idea for slowing cost increases through reforms of health service delivery and reimbursement, and was scored as budget neutral at worst. Yet it was demonized from the outset by the partisan opposition as a “socialist” scheme, a “government takeover of health care,” and government-imposed “death panels.”

Republicans in Congress and on the presidential campaign trail are committed to repealing the Affordable Care Act, converting Medicaid into a block grant and capping it dramatically below its projected costs, and replacing Medicare with a premium support system with funding also pegged at a level below the anticipated costs. These changes are combined with a permanent extension of the Bush tax cuts and substantial additional reductions in tax rates skewed to the wealthy, adding substantially to deficits and debt. Together, these proposals contain a striking economic redistribution between wealthy households and the poor and a breathtaking gamble, with no evidence or credible argument, that competition among health insurance providers and cost-sensitive customers will produce savings sufficient to finance affordable and sustainable health

insurance. The concentration of health care expenditures among those with chronic conditions and the limits of consumer sovereignty in the health care arena are a reminder, as Nobel laureate economist Kenneth Arrow argued decades ago, that health care is not well suited to a market-dominated system of exchange. Rivlin doesn't explicitly deny my account of these party differences and may well agree with many of them. But she writes as if both parties are equally committed to universal access to affordable health care and both committed to fiscal probity. And she imagines a future in which Republicans accept the ACA and strengthen its cost-savings elements while Democrats agree to open the door to what in their view could lead over time to the end of defined health coverage for the poor and elderly. This, in my view, is not the basis of constructive bipartisan negotiation and compromise.

Rather than begin with the imperative to find bipartisan compromise, I believe the better approach is to accept the reality of today's intense and asymmetric polarization and challenge each party to make its best case in the election campaign for dealing with the nation's challenging problems in health care and fiscal policy. I truly wish the world of bipartisan comity that Alice Rivlin so nobly represents still existed or could be restored. Sadly, it does not. Unless the electorate forces the Republican Party to abandon its ideological extremism and nonnegotiable demands, bipartisan compromise will remain a pipedream.