

National Health Reform Still Top Washington Priority

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An unprecedented effort to develop detailed legislative proposals on health care reform on behalf of the new administration has been well under way for some weeks. Experts from across the nation, representing many diverse points of view on reform issues have been brought together to comprise a task force under the leadership of Hillary Clinton. These "experts" have been drawn largely from academic and foundation sources, though there are a few representatives of provider and industry organizations participating in these deliberations. Congressional input into this process has been somewhat limited and appears to be under the control of the Democratic congressional leadership. This has generated concern in Congress among those whose views were not sought or have not yet been sought in this developmental process. There are fears that the Clinton team is looking at members of Congress in the process as potential obstacles as much as potential allies, even among Democrats who are strongly inclined to support whatever the administration proposes.

No one in Congress doubts Bill Clinton's inherent political skills. Those skills will be challenged as no president in our history has been challenged because of the price tag that will accompany even a modest reform plan. Wide-ranging discussions are under way within the Clinton Task Force dealing with everything from health care cost controls using authorities similar to those employed to control inflation during the Nixon years, to managed care proposals of all shapes and sizes. There are daily press leaks revealing discussions on new spending programs, the aggregate total cost of which would be hundreds of billions if they were all implemented at once. Even the most conservative estimates place the cost of extending coverage to those who presently have no health insurance, at no less than \$50 billion in the first year.

During the 1992 presidential campaign, candidate Clinton used the argument that new federal spending would be minimal because savings from his structural reform plans, which would reduce administrative costs, fraud, waste, etc., would be sufficient to fund most of these new benefits. His advisors are telling him now that such savings would not begin to be realized for years after the restructuring proposals have been implemented and even then, savings would be far less than anticipated during the campaign.

There are credible press reports that Clinton's Task Force is seriously considering recommending the extension of Medicare benefits to cover a portion of the cost of prescription drugs as promised during the campaign. The Task Force estimates the cost of this benefit, even with significant deductibles and copayments, to be no less than \$15 billion annually. As well, there is serious study under way of federal subsidies for long-term care for the nation's elderly. This benefit could cost as much as \$12 billion annually and would grow as the pool of eligible beneficiaries grows.

It is the enormous cost of the programs under discussion that concerns members of Congress the most, since it will certainly require massive new taxes to fund even a portion of the programs being

considered. Mr. Clinton has already asked Congress to support him on a \$246 billion tax increase in his "deficit reduction program." A recent CNN/USA Today poll indicates that there is considerable popular tolerance for such a tax increase if there are matching cuts in federal spending and if the proceeds of this tax increase are actually applied to reducing the deficit. There is some evidence of public willingness to tolerate additional federal spending and taxes to address the national health care situation. The March 1, 1993 edition of Newsweek published poll results indicating that 65 percent of those surveyed "would favor additional taxes for reforming and expanding health care in the United States."

All of these discussions about billions in new costs, hundreds of billions in new taxes, and aggressive new federal health care programs are likely to generate far less favorable reaction on the public at large as the reality of these proposals sink in. Furthermore, all of these proposed programs must pass the congressional tolerance test. For Mr. Clinton, this will be the only poll that counts.

There is some support for the Clinton health care agenda in Congress. House Democrats seem ready to listen respectfully to what Mr. Clinton will propose. Their concerns, however, are far more immediate and personal as they must face the voters in less than 20 months and answer constituents who are free to hold contradictory views on the issues of health care spending and taxes. In the Senate, the fate of any Clinton proposal will rest in the hands of a few conservative Democrats who have yet to be sold on the value of the notion of massive new taxes to fund anything beyond what the federal government is presently funding in health care. We can assume that the republican minority will use its influence to minimize new federal activity in the health care arena.

In fairness to Mr. Clinton's efforts, no official proposal has been made on any aspect of his reform agenda. Indeed, even official hints have been few and far between. It is probably safe to assume that the Clinton team is road testing a variety of concepts to see how the public and the Congress react prior to committing themselves to any particular course of action. They are aware that every segment of the national health care economy is gearing up to attempt to influence the ultimate shape of the health care plan in Congress. Provider groups in particular are bracing themselves for what they rightfully see as an unprecedented assault on their income and professional authority.

Clinton's tax increase proposals place the greatest burden on those with the highest incomes. Primary health care providers, to a large extent, fall within this category. Furthermore, Clinton is talking seriously about fee restrictions and cost controls on health care services that would at least freeze and perhaps roll back professional fees. There is even talk of a targeted health care provider tax that would levy a percentage tax on the gross receipts of health providers such as was done in Minnesota. This situation has prompted preparation on an unprecedented and massive scale to confront such proposals in the legislative process. "The Clinton administration is counting on "people power" to assist him in guiding his proposals through the congressional process. Therefore, it is the massive grassroots activities groups can generate that are likely to have the greatest impact on Clinton and Congress.

The chiropractic profession must make certain that its grassroots activities are of sufficient scale and intensity to be visible and taken seriously by the decision makers in this process. Your lobbying team can help you organize and direct this grassroots effort for maximum impact. This should be your focus now while we in Washington deal with the technical aspects of legislative details.

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