

Introduction

Some years ago, the president of the United States stood before Congress and proclaimed that it was time to guarantee health care to every American. “Millions of our citizens do not now have a full measure of opportunity to achieve and enjoy good health. Millions do not now have protection or security against the economic effects of sickness. The time has arrived for action to help them attain that opportunity and that protection,” said the president, a Democrat. He continued: “People with low or moderate incomes do not get the same medical attention as those with high incomes. The poor have more sickness, but they get less medical care. People who live in rural areas do not get the same amount or quality of medical attention as those who live in our cities.”

President Bill Clinton might have uttered those words in 1993, but he didn’t. In fact, the presidential speech excerpted above predated President Clinton and his ill-fated attempt at health-care reform by nearly a half-century. The quote belongs

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to President Harry Truman, and it was part of a speech Truman delivered to a joint session of Congress in 1945 to promote his own, doomed plan to guarantee health care to every American. Like Clinton, Truman had reason to be confident. His fellow Democrats controlled both houses of Congress, and polls showed that Americans were anxious about the high cost of health care and eager for change. But both presidents underestimated the strength of the forces arrayed against them. Special-interest lobbyists—led by doctors in Truman’s time, and insurance companies in Clinton’s—fanned the public’s fear that government bureaucrats would come between doctors and patients. Additionally, public support had greater breadth than depth. Both presidents’ health-care plans became bogged down in Congress. And when the Republicans triumphed in the subsequent midterm elections in 1946 and 1994, health-care reform was effectively dead. “I have had some bitter disappointments as president, but the one that troubled me most, in a personal way, has been the failure to defeat the organized opposition to a national compulsory health insurance plan,” Truman wrote in his memoirs.

Sixty years and four attempts later, the depressing picture that Truman painted is still an accurate if understated portrait of our broken health-care system. Millions of Americans go without medical care because they can’t afford it, and many others are mired in debt because they can’t pay their medical bills. It’s hard to think of another public policy problem that has lingered, mostly unaddressed, for so long. Why have we failed to solve a problem that is such a high priority for so many citizens? The answer, I believe, is rooted in the complexity of the

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health-care issue, the limitations of our political system, and the power of the interest groups—doctors, hospitals, insurers, drug companies, researchers, and even patient advocates—that have a direct stake in it.

How can we cut through this Gordian knot? I believe that the only way to solve the health-care crisis is to change the way that we approach the challenge. In this book, I propose a Federal Health Board, modeled loosely on the Federal Reserve System, to do so. It would create a public framework for a largely private health-care delivery system. Its main job would be to develop the standards and structure for a health system that ensures accessible, affordable, and high-quality care. These standards would apply to federal health programs and contractors and serve as a model for private insurers. The federal government, through programs like Medicare, Medicaid, and the Veterans Health Administration, provides health care to roughly 100 million people. But these programs have disparate benefits, quality standards, and success in cost containment. If an independent board created a single set of standards for all of these programs, it would exert tremendous influence on every other provider and payer, even those in the private sector.

Like the Federal Reserve, the Federal Health Board would be composed of highly independent experts insulated from politics. Congress and the White House would relinquish some of their health-policy decisions to it. For example, a shift to a more effective drug or service could be accomplished without an act of Congress or White House political support. This power is not small, and delegation rightly raises concerns. But imagine the outcomes if Congress revoked the Fed's power

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to set interest rates and instead took it upon itself to enact them each quarter. It would be a disaster—no less so than the results of decades of mismanagement of our health system.

The Federal Health Board I propose would not solve all our health-care problems. Our system is fundamentally broken, and decades of failed incremental measures have proven that we need a comprehensive approach to fix it. Undeniably, it will be difficult to change a system that accounts for more than 16 percent of our economy—and has a direct impact on every man, woman, and child in the United States. Moving from the current system to one that guarantees universal coverage will force us to wade into a myriad of complicated details—details that disaffected people, parties, or interest groups can seize upon to derail the entire effort. Nevertheless, the problem is not intractable. With the right approach, including a Federal Health Board, it can be solved.