

# WHAT HAPPENED TO HEALTH CARE REFORM — AN OUTSIDER'S VIEW

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In the 1994 State of the Union Address, President Bill Clinton stood before the Congress (and a nationwide television audience) and boldly delivered a direct threat to the assembled members of the House of Representatives and Senate, the majority of whom were fellow Democrats. "If you send me legislation that does not guarantee every American private health insurance that can never be taken away, you will force me to take this pen, veto the legislation and we'll come right back here and start all over again." The drama of the visually-arresting gesture and no-retreat language sharpened the public's perception of the president, signaling a resoluteness of purpose many legislators and citizens had previously doubted.

However, one year later in his next State of the Union Address, a chastened Clinton told the newly sworn-in and now Republican-controlled Congress, "Now, last year, we almost came to blows over health care, but we didn't do anything . . . I still believe our country has got to move toward providing health security for every American family, but I know that last year, as the evidence indicates, we bit off more than we could chew. So I'm asking you that we work together. Let's do it step-by-step; let's do whatever we have to do to get something done. Let's at least pass meaningful insurance reform so that no American risks losing coverage for facing skyrocketing prices . . ."

Examining the radical shift from a universalist to a minimalist approach in dealing with the nation's health care problems offers several lessons about the legislative process today, especially the importance of understanding the intertwining of activities carried out by the Congress, Executive branch, interest groups, media, and public at large about a specific issue. The failure to do anything, despite all of the work and effort, is a case study in lofty, humane intentions exceeding the strategic planning and methodical execution required to implement a public policy initiative affecting every American and one-seventh of the country's economy.

Concern over the availability, cost, and portability of health care began to build in the 1980's and early 1990's as companies, large and small, changed hands, reduced employment, and modified benefit packages while health costs were steadily rising. Fears about personal (or familial) security combined with economic anxieties, producing a restiveness and uncertainty about the future. In 1991, Harris Wofford made health care the centerpiece of his special Senate race in Pennsylvania to complete the term of John Heinz, who had been killed in an air crash. Taking on Richard

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Thornburgh, a former governor and attorney general in the Bush Administration, the underdog Wofford struck a chord with voters when he started to say in speeches and ads: "If criminals have the right to a lawyer, I think working Americans should have the right to a doctor." The line echoed throughout the nation, and Wofford's ten-percent victory (after being behind by 47 percent in early polls) signaled the growing significance of health care as an issue. Campaign slogans, however, are one thing. Crafting legislation creating "the right to a doctor" is another matter. Failure to do anything in this area became a factor in Wofford's loss to Rick Santorum in 1994.

As chance would have it, the same consultants who engineered Wofford's win in 1991—James Carville and Paul Begala—were selected as principal strategists for Clinton's 1992 presidential campaign. Politics being an imitative and repetitive pursuit, promising to reform health care became a consistent, though muted, Clinton theme. Wisely from a political perspective, Clinton spoke largely in generalities when discussing health care. However, in speeches and campaign documents, he advocated universal coverage and sketched out such particulars as employers buying insurance for employees and the government guaranteeing coverage for the unemployed. In *Putting People First: How We Can All Change America* (1992), the 232-page book that brought together the plans of candidates Bill Clinton and Al Gore, the four pages devoted to "Health Care" include the following passage: "Health care should be a right, not a privilege. And it can be. We are going to preserve what's best in our system: your family's right to choose who provides care and coverage, American innovation and technology, and the world's best private doctors and hospitals. But we will take on the bureaucracies and corporate interests to make health care affordable and accessible for every American."

The mantra of "change," of being different from George Bush, of helping the beleaguered middle class were compelling enough to win 43 percent of the vote in a three-person race. That Bush collected only 37 percent (while Ross Perot garnered 19 percent) proved how much voters desired a change on the presidential level. In *On the Edge: The Clinton Presidency* (1994), Elizabeth Drew reports about the conflict within the Clinton campaign and later the transition team over specific elements of health care reform. Doing something, however, gained urgency between Election Day and the inauguration. She writes:

As Clinton prepared to govern, health care took on increasing importance as his best shot at winning the support of the middle class. Polling showed that health care was a big reason people had voted for him. If he pulled it off, he might create a new Democratic coalition.

As a result of [Stan] Greenberg's polling, the term "managed competition" was banished from public discourse. "Comprehensive" was a winner in the polling, so the term "comprehensive coverage" became the centerpiece. Greenberg's research also led in 1993 to a description of the program as one that provided "security": he found that while the press (and politicians) had discussed the program as one to cover the uninsured and to cut costs, what the public wanted was health care security.

Flush with optimism and the hope of new possibilities, Clinton created the Task Force on National Health Care Reform on January 25, 1993, five days after his inauguration. He appointed his wife, Hillary Rodham Clinton, to lead the Task Force, and announced that legislation would be submitted to Congress "within 100 days of our taking office"—meaning by April 30. Naming the first lady to a position of such re-

sponsibility struck many observers as a shrewd political maneuver—a well-known and no-nonsense professional woman with closest access to the president would be in charge of what was emerging as the administration's most ambitious policy initiative. Whatever developed would truly be the Clinton plan. Setting the 100-day deadline was also initially perceived as a deft decision. Ever since Franklin Roosevelt was sworn in as president in 1933 and launched the New Deal's furiously active first months, the period of a hundred days has become the yardstick journalists (and hence citizens) use to measure an administration's ability to address campaign promises and to judge how effectively the Executive branch seems to be doing its work. The arbitrary period is, to be sure, something of a contrivance, an artificial "news peg," but it is also useful for assessing direction, speed, and skill—or lack thereof.

In the case of the Task Force on National Health Care Reform, the 100-day point arrived without legislation or even a clear indication when it would be complete. Timing and maintaining momentum are critical in achieving governmental action, especially an initiative of profound consequence. From the first months of the Clinton administration onward, delays and other business or concerns bedeviled work on health care. As it turned out, almost six more months elapsed before the "Health Security Act" finally reached Congress. By that time, the process of drafting the act had become controversial and Clinton himself had been subjected to stiff criticism for, among other things, his handling of appointments, his dealing with gays in the military, his indecisiveness in foreign affairs, and a now-infamous \$200 haircut. In addition, working on the administration's economic plan consumed much of the spring and summer, with passage coming in August after bruising single-vote victories in both the House and Senate.

The method by which the health care task force approached and carried out its labor will be cited in the future as the way *not* to operate, if legislative success is the ultimate objective. The 12-person task force decided to involve experts, with the number eventually reaching over 500 people, who composed 34 subgroups to investigate specific areas. Getting that many participants involved invited complexity and delay. However, more importantly in terms of perception, secrecy shrouded what was happening, despite much consultation with Congress and outside groups. Public business, with potential impact on every American, was seemingly being conducted in private. What were all these so-called experts doing behind closed doors? Journalists and citizens wondered. Why, at a time of increased openness, were they working this way?

In *The Agenda: Inside the Clinton White House* (1994), Bob Woodward reports that Hillary Clinton "had learned to detest the media during the [1992] campaign, and knew all too well that journalists were drawn to stories about controversy or failure." Her personal animus translated into an all-out effort to keep news people away from the task force's work. As Woodward notes,

To ward off potentially negative stories, she decided that the meetings with 500 experts who were going to advise in the drafting of the legislation would be conducted in private. She also refused initially to release the experts' names. The cloak of secrecy prompted much criticism and even a lawsuit, bringing health care out of the lifestyle sections onto the front pages. Hillary was upset that the dispute took so much time and attention for the designing of the policy.

To be sure, journalism today is conflict-oriented and obsessed with "controversy or failure." However, this situation does not mean that complete avoidance will produce

positive results. In fact, quite to the contrary, secrecy promotes mystery, speculation, and doubt, not to mention hard feelings and grumbling within an influential set of people.

In looking back at the failure to pass any health care reform, Mrs. Clinton openly acknowledged that the closed nature of the planning stage was a serious error. She told James Fallows (for the article "A Triumph of Misinformation" in the January 1995 issue of *The Atlantic Monthly*),

Even though we had a process unlike any other that has drafted a bill—more open, more inclusive—we got labeled as being secretive because of . . . our failure to understand that we should be more available to the press along the way. That was something we didn't do well . . . . We were not aware of how significant it is to [shape] the inside story in Washington, in order to make the case . . . for whatever your policy is.

Ironically, while Mrs. Clinton was learning this lesson, her husband was struggling to come to terms with a related but completely opposite problem. The president throughout the early phase of his administration had been too accessible to the media, with off-hand remarks after jogging or during a photo-session crowding out any deliberate, sustained message about a particular policy initiative or problem. It is often said that "to govern is to choose." However, achieving the appropriate measure of elements for effective governance deserves sustained effort. Balance—between statecraft and stagecraft, talk and action, campaigning and governing, domestic concerns and international affairs, principle and pragmatism, traditional practice and new initiatives—is critical to successful presidential leadership. It is not a matter of making either/or decisions. It is a continuing both/and situation. Maintaining judicious, strategic balance was a continuing problem for the Clinton White House during its first two years. Moreover, interests opposed to health care reform began airing and circulating statements that questioned and criticized greater governmental involvement, while the task force remained secretive, as far as the press and public were concerned.

By waiting until October 27, 1993 to submit the 1,342-page, 240,000-word "Health Security Act" to Congress, the administration lost the early-days advantage that traditionally helps an incoming president. Historians and political scientists frequently observe that the executive branch has a limited amount of time to accomplish major, potentially divisive initiatives. Do the big things first, they advise, before other matters (including elections) intrude. With health care, it was not only a case of missing the announced deadline by six months. The administration also squandered the opportunity that comes from a nationally-televised presidential address to Congress. On September 22, Clinton delivered a passionate call to action, "At long last, after decades of false starts, we must make this our most urgent priority: giving every American health security, health care that can never be taken away, health care that is always there."

With applause still echoing in Washington, Mrs. Clinton toured Congressional offices and committee rooms, gathering bi-partisan and public support. Again, however, delay broke the momentum, and more than a month elapsed before formal presentation of the legislation. Interestingly, public opinion in favor of the Clinton plan plunged almost 15 percent during this period. In addition, 12 American soldiers were killed in Somalia on October 3 while serving on a peace-keeping force. This foreign mission received wide media attention, and many reports included criticism of presi-

dential leadership. The administration's plan of keeping the focus on health care for a month ended violently, just 11 days after the speech to Congress. This circumstance—of having other matters intrude on efforts advancing health care reform—became common after October 27. Something, either policy-related or personal, seemed always to get in the way, creating distraction and making passage of the legislation more difficult.

Winning passage of the North American Free Trade Agreement (NAFTA) absorbed the president and the administration in the weeks before Congress voted in November. The late fall victory—despite stiff opposition from liberal Democrats, labor leaders as well as members, Ross Perot, and others—showed Clinton as a stronger, more committed president, a leader with the resolve to fight for a cause and the skill to do what was necessary to achieve it. Even more than the passage of the economic plan (for which there was no Republican support) and other legislative accomplishments, the NAFTA triumph seemed a turning point. After a rocky, halting first several months, the new president was being perceived as more assertive and more capable. The NBC/*Wall Street Journal* poll in mid-December 1993 showed a 56 percent approval rating, which was higher than Ronald Reagan's at the end of his first year in office.

However, the spreading sense of an in-command, worthy-of-admiration president proved to be relatively short-lived for Clinton. During the next several months, stories reporting allegations about his past in Arkansas competed with coverage of his current concerns and plans for the future. Charges by Arkansas state troopers of Clinton's involvement with women other than his wife resurrected character questions at the time he was trying to cement his presidential—and moral—authority. What the media came to call "Troopergate" and "Fornigate" began with revelations in late December 1993. (Later, on February 11, 1994, Paula Corbin Jones publicly accused Clinton of sexual harassment charges for an alleged incident that occurred in 1991.) At the same time the stories about the troopers were receiving attention, the tangled Clinton land venture in Arkansas, known as Whitewater, returned as a prominent subject for governmental and journalistic investigation. With concern over what some columnists referred to as "Whitewatergate" building, Attorney General Janet Reno appointed a special counsel to deal with the inquiry on January 20, 1994.

As if stories about questionable personal conduct and real-estate speculation were not enough, there then appeared subsequent revelations about the six-figure profits Mrs. Clinton made from trading commodities futures. These question-provoking reports put her in the spotlight and made people wonder about her financial practices. In short, at a critical time when both Clintons should have been concentrating on passage of the Health Security Act, they—and the public at large through the media—were concerned with other matters. Significantly, these other matters created or solidified doubts about the president and first lady. Trying to gain acceptance of a plan to overhaul one-seventh of the nation's economy requires rock-like confidence in the people proposing such change. In addition, if that level of confidence does not exist, messages of opponents also have a better chance of being accepted and undermining the argument on behalf of the proposal.

In a lengthy analysis of what happened with—and to—the health care initiative, *The New York Times* (on August 29, 1994) reported "more than \$50 million" was spent on advertising about the plan, with "most by opponents and much of it simply false." *Newsweek* (in its September 19, 1994 edition) estimated that interest groups

“spent at least \$300 million . . . to defeat health care,” with broadcast spots a primary means to communicate criticism. Television is a medium of emotion as well as of information, and deftly-produced commercials can engender fear with relative ease. The “Harry and Louise” spots of the Health Insurance Association of America and other ads by Empower America raised questions about the funding, intrusiveness, and complexity of the Clinton health plan, seeding more and more doubts about its overall merit. As now happens with disturbing regularity, a complicated proposal of public policy was reduced to 30-second playlets with misleading information or to brief news reports focusing on individual health-care horror stories. They simultaneously aroused sympathy for the victim and viewer unease about his or her personal future. The simplicity on both sides evoked competing emotions, with anti-reform messages (complete with scare tactics) carrying substantial impact. Public opinion surveys reflect steady decline in support and growing opposition from January 1994 (when the president forcefully threatened a veto) through April. After a small rise in support in May, support sharply plunged again, and resulted in approximately 40 percent in favor of the plan and nearly 60 percent against it. For many Americans, fear and anxiety about health care turned into fear and anxiety about the proposed health care plan.

Another factor in the decline of public favor came from the mixed signals coming from the president and the first lady. In a remarkably revealing and detailed profile in *The New Yorker* (May 30, 1994), “Hillary The Pol,” Connie Bruck describes the very different personal-political characteristics of Bill and Hillary Clinton. Bruck explains that the president seeks compromise and conciliation, while Mrs. Clinton wants matters as she designs them. An unnamed but long-time observer of the Clintons tells Bruck, “It is not his style to attack. His style is not to box people in but, rather, to leave room for them to change their minds, so that later something can be worked out. Particularly on an issue this big, today’s enemy is tomorrow’s ally. That’s what he’s *done* for the past fourteen years.’ Hillary, this person added, did seem to be engaged in a fierce defense of the Clinton plan, *as written*, but when Clinton said, as he has said a couple of times, that he had ‘no pride of authorship’ in his plan and was open to compromise, that was believable, because it was consistent with his approach in the past.” Mrs. Clinton’s strongly worded criticism of the health industry (especially pharmaceutical and insurance companies) and of rival plans (notably the one put forward by Democratic Representative Jim Cooper of Tennessee) made bargaining with Congress more difficult and helped create a sense of inflexibility when the president was trying to fashion some kind of health care reform bill that would pass.

Ira C. Magaziner, the director of the health care task force who worked most closely with Mrs. Clinton on the plan, said in an interview after the proposed legislation was abandoned in September 1994, “We always knew that in the end people’s trust of the President and First Lady would be crucial. The debate was going to be complicated, and that trust factor was very important.” However, the level of trust in the Clintons was by no means the only factor in the erosion of support. As Kevin Phillips documents in *Arrogant Capital: Washington, Wall Street, and the Frustration of American Politics* (1994), just 19 percent of the people polled by the Gallup Organization in January 1994 had trust in “Washington to do what is right all or most of the time.” (Thirty years earlier, 75 percent said they trusted Washington.) Attempting massive and comprehensive governmental reform involving every American and so much of the economy would be difficult under any circumstances. Today’s anti-political and anti-governmental environment makes extensive change a Herculean challenge. Wheth-

er such change is even possible becomes a legitimate question, given the political climate, partisanship, activity of interest groups, and a news media that often seem driven by conflict, controversy, and scandal.

The Clinton administration's failure to enact any health care legislation during its first two years will long be remembered and leave lasting scars. Identified as a principal priority, indeed primary pursuit, the absence of any accomplishment overshadows what the administration has actually been able to do in deficit reduction, government re-structuring, trade, crime, gun control, student loans, and other areas. Of even greater significance, possibly, is the lingering perception of Bill Clinton as a traditional, big government, liberal Democrat that the protracted health care debate helped to create. That impression, whether fair or false, conflicts with and also undercuts his image as a new and different Democrat. Given the mid-term election results of 1994 with stunning Republican gains at every level, being viewed as an old-style Democrat (who also has character flaws) could be costly in terms of governance—and presidential politics in 1996.

