

# U.S. healthcare reform and policy feedback: Some fancy subtitle

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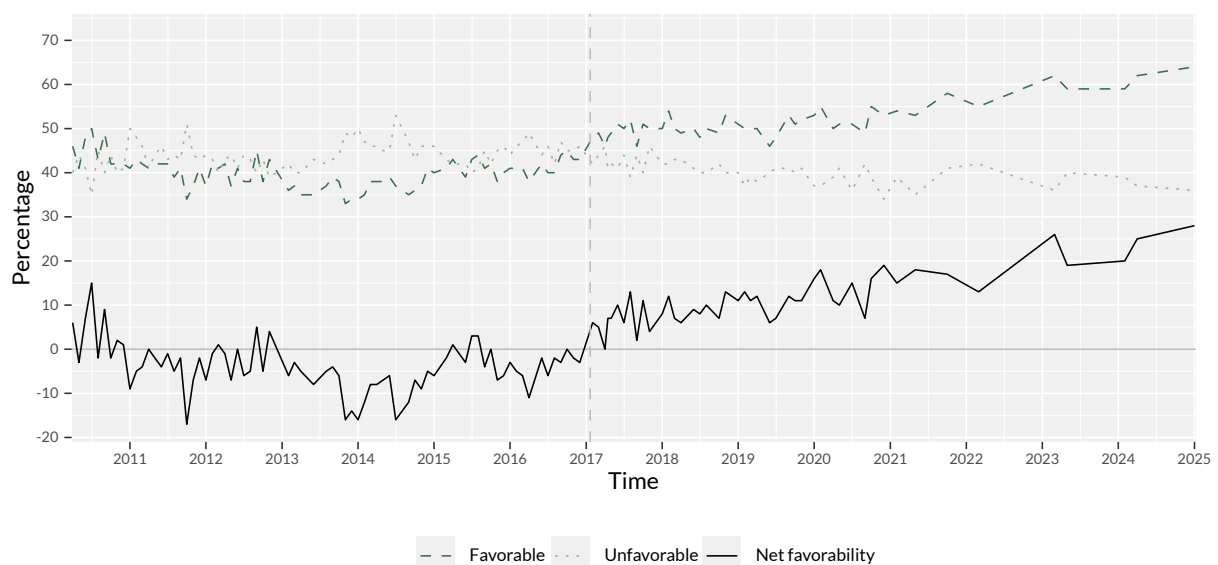
## Abstract

Placeholder

**Keywords:** healthcare, policy feedback

## Introduction

When (then candidate) Donald Trump was asked in his, first and only, presidential debate with Democratic opponent Kamala Harris what his plans for healthcare reform were, his response that he had “concepts of plan” (Trump, 2024) rekindled some discourse as to the future of American healthcare and potential reforms in that sector. Ever since it was passed, Republican lawmakers, in conjunction with candidate and president Trump, have at times alternately advocated for – and attempted – repealing President Barack Obama’s signature healthcare reform, the Patient Protection and Affordable Care Act (abbreviated as ACA, commonly also referred to as “Obamacare”), outright, or making major modifications to the law (Armour et al., 2024). However, neither a repeal or a major modification ever came to pass, despite Republicans gaining control of the White House and both Houses of Congress following the 2016 general election (Federal Election Commission, 2017). Three Republican Senators voted to *not* repeal Obamacare, Senator John McCain, as was highly publicized at the time, voting no via thumbs-down on the Senate floor, less than two days after receiving surgery for brain cancer (Davis & Montanaro, 2017). Beyond any individual-level intuitions for this specific legislative outcome, this suggests the question *why were Republicans unable to repeal or reform the ACA?* One explanation might be public response – in the time since its passage, the ACA’s popularity has somewhat transformed, from being viewed rather controversially in the beginning, to now (early 2025) enjoying its largest net positive favorability ever (see Figure 1):



As Busemeyer et al. (2019) have noted, already during Trump’s first term, this leads credence

to the idea that policy feedback follows a *thermostatic* (Wlezien, 1995), or negative, pattern, wherein (proposed) policy change in any direction is *counterbalanced* by the public's response. In this view, *policy stability* is the consequence of negative feedback. At the same time, Busemeyer et al. (2019) also point out that this same empirical artefact may support a Historical Institutionalism interpretation. In contrast to the thermostat view, Historical Institutionalists propose that policies, once adopted, create support for themselves, i.e. *positive feedback* (see e.g. Pierson, 1993; Pierson, 2000). This post-Trump development in U.S. healthcare politics motivates Busemeyer et al. (2019) to streamline the concept of policy-feedback in general for all kinds of policies.

Sticking with healthcare policy, however, pre-Trump, the more germane empirical puzzle related to why healthcare reform happened in 2010 and not before. Jacobs and Weaver (2014) argue that, unlike in the thermostatic view, negative feedback drove *policy change* in 2010, rather than policy stability. More specifically, they develop an extension to Historical Institutionalism that incorporates a notion of negative feedback as a driver of policy change, where Historical Institutionalism usually emphasizes explaining long-term policy stability due to positive feedback.

In this paper, I will first discuss Jacobs and Weaver's 2014 theoretical conception of negative feedback effects, and their case study, in which they employ their theory to explain why healthcare reform was passed in the US in 2010, but not in the 1990s, the previous high-profile attempt to do so on the Federal level.

## Definitions

In abstract terms, in a (political) system, negative feedback can be conceptualized as a "self-correcting" (Baumgartner & Jones, 2002, p. 8) process that "reacts to counterbalance, rather than reinforce, any changes coming in from the environment" (p. 9). Thus, negative feedback is likened to a thermostat, that acts to revert a the temperature of the room (the political environment) to some predefined temperature (the political status-quo), whenever the room gets colder *or* warmer (Wlezien, 1995). Conversely, positive feedback is a process by which a change to the system is self-reinforcing, i.e. they *reproduce* themselves. With positive feedback exact conceptualizations slightly differ based on theory.

Pierson (2000), representing the classical Historical Institutionalism approach to policy feedback in the framing of Jacobs and Weaver (2014), for instance, borrows from economic theory. In economic terms, policy decisions generate *increasing returns* (for economic discussion see Arthur, 1994; for application to institutional development see Krasner, 1988). In political

terms, policy choices create the political conditions that make it more likely that those choices will be maintained – even in the face of overall suboptimal outcomes, compared to some other alternative – by “[*reshaping*] *social and state actors’ interests and capacities over long periods of time*” (Jacobs & Weaver, 2014, p. 443, original emphasis). To illustrate, assume some current status-quo policy regime A and some alternative policy regime B, wherein regime B generates markedly greater overall net utility than regime A. At some past point in time the polity in question chose regime A, it could now switch to regime B, but doing so incurs a cost. As time passes, actors under regime A adapt to the policy regime, i.e. change their behavior such that actors that previously suffered negative utility under regime A come to slightly profit. Regime A’s utility increases over time, but remains below the total utility that could be hypothetically achieved under regime B. Even though there is some cost to actors for adopting to regime A, it is more cost-effective to maintain regime A, assuming some adaptation has taken place, undoing all that adaptation and re-adapting to regime B, were it to be instituted, will always be higher than maintaining regime A *or* further adapting to regime A.

This classical Historical Institutional approach Jacobs and Weaver (2014) juxtapose with punctuated equilibrium theory (Baumgartner & Jones, 2009; Baumgartner & Jones, 2002). From a punctuated equilibrium point of view, positive feedback is defined as “a change, sometimes a fairly modest one, causes future changes to be amplified” (Baumgartner et al., 2018, p. 61), or in more colloquial terms “‘feeding frenzy,’ ‘cascade,’ ‘tipping point,’ ‘momentum,’ or ‘bandwagon effect’” (p. 61)

## Theoretical argument

Jacobs and Weaver (2014) argue feedback effects have been “persuasive” (p. 441) in explaining long-term policy development across different policy fields. They aim to add to the literature on long-term policy dynamics by more closely examining the role of feedback effects, specifically as they relate to *policy change*. As the authors note, “Historical Institutional (HI) analyses centered around a logic of self-reinforcement and path-dependent development have, quite naturally, had far more success explaining stability than in accounting for change” (Jacobs & Weaver, 2014, p. 443). Policy change and stability are, of course, two sides of the same medalion, but the way different theories emphasize one over the other will impact their explanatory power when applied to any given empirical phenomenon. For instance, the authors tout theoretical advancements made by Baumgartner and Jones (2002) and punctuated equilibrium theory, which models how *exogenous shocks*, e.g. can lead to rapid change between long phases of policy stability.

Unlike in Historical Institutionalism, in the punctuated equilibrium framework long periods of policy-stability are regulated by thermostatic, i.e. negative, feedback, while exogenous shock induce a process of positive feedback, where some initial disturbance to the status-quo is quickly exploited by

Nevertheless, since punctuated equilibrium theory primarily envisions *exogenous shocks* to be the main drivers of policy change, the authors see a need in expanding on efforts in the classical Historical Institutionalism literature which aim to explain *endogenously* driven change, i.e. “processes deriving from policy itself – that frequently generate strong pressures, and expand the political opportunities, for policy change” (Jacobs & Weaver, 2014, p. 442).

As Greif and Laitin (2004) illustrate, increasing returns alone cannot be the sole determinant of po.

For instance, the Greif and Laitin (2004) argue that pensions programs generate decreasing returns, but are still self-reinforcing: The introduction of a national pension program will lead to (1) greater life-expectancy and (2) lower birth-rates as income in old age aids to prolong health and disincentives having children as old-age insurance, relatively to a situation without a pensions scheme. These demographic changes *caused by the policy* (i.e. endogenous changes) in turn, over-time, will lead to a decrease in average pension payouts as the ration of young working people to old age recipients shifts. At the same time, however, support for the pension program will likely increase, as the relative share of the population that economically benefits as a consequence of the same demographic trends that cause the decline in payout, i.e. more pensioners relative to the working population.

Jacobs and Weaver (2014) propose three types of mechanisms of self-undermining feedback and elaborate

## Jacobs and Weaver's 2014 argument

### Discussion

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