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

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Abstract

Placeholder

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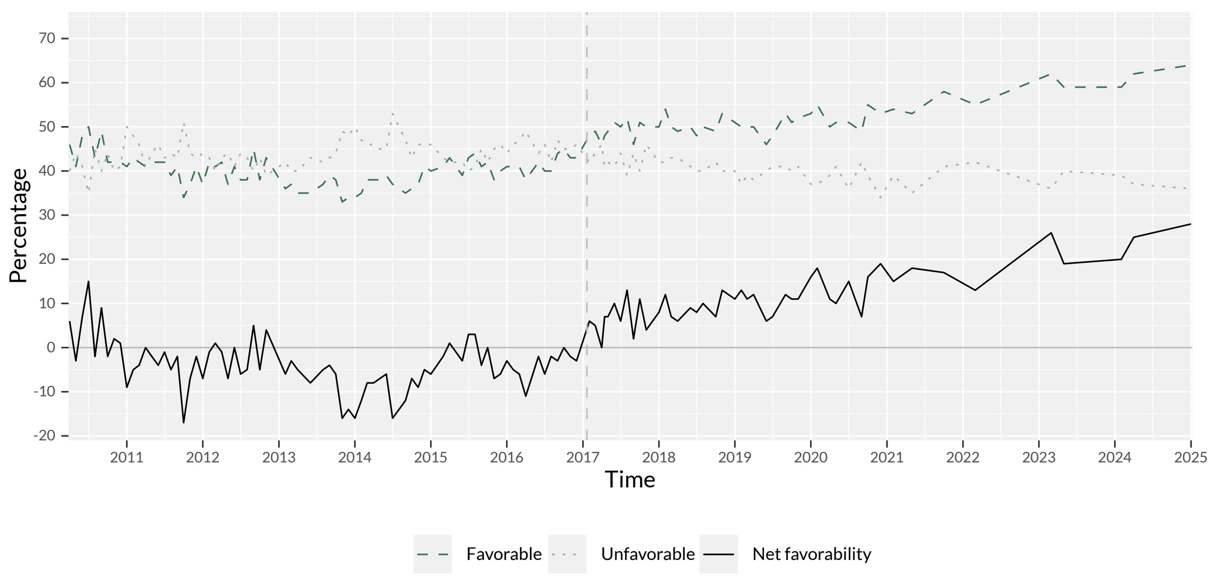
Introduction

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 suggest 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 Institutionalist 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.

Feedback

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 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. it *reproduces* itself. With positive feedback exact conceptualizations slightly differ based on theory. Pierson (2000), representing what Jacobs and Weaver (2014) call the classical Historical Institutionalist approach to policy feedback, for instance, borrows from economic theory. In economic terms, policy decisions generate *increasing returns* (for economic discussion see Arthur, 1994). In political terms, past policy choices create the very 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 would generate markedly greater overall net utility than regime A for hypothetical polity. At some past point in time the polity 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 may have suffered negative utility under regime A come to slightly profit under regime A. 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 and further adapting to regime A. Furthermore, the cost of adapting to some alternative regime B increases over time, ever decreasing the likelihood of moving away from regime A as they go.

Still within a Historical Institutionalist framework, but somewhat departing from the, as Jacobs and Weaver (2014) put it, classical approach, Punctuated Equilibrium Theory (Baumgartner & Jones, 2009; Baumgartner & Jones, 2002) adapts its conceptualization of positive feedback to fit its aim to better explain policy change. 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), what, in colloquial terms, may be referred to as "'feeding frenzy,' 'cascade,' 'tipping point,' 'momentum,' or 'bandwagon effect'" (p. 61).

Theoretical argument

Overall, 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 Institutionalist (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 medallion, but the way different theories emphasize one over the other will impact their explanatory power when applied to any given empirical phenomenon.

To start with, 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 policy entrepreneurs. [expand on PET] Still, both classical Historical Institutionalist approaches as well as Punctuated Equilibrium Theory primarily envision *exogenous shocks* to be the main drivers of policy change, the authors see a need in expanding on efforts in the 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).

For this purpose, Jacobs and Weaver (2014) pick up on Greif and Laitin's (2004) commentary on both the Game Theory and Historical Institutionalist literature, maligning that these two disciplines leave no room for the idea of endogenously driven institutional/policy change and even effectively render the idea a "contradiction in terms" (Greif & Laitin, 2004, p. 633). Neither Jacobs and Weaver (2014) nor Greif and Laitin (2004) present an explicit empirical motivation, as their concerns are somewhat intuitively reasonable, but, formulated in Game Theory terms, Greif and Laitin (2004) argue: "Institutions influence factors such as wealth, identity, ability, knowledge, beliefs, residential distribution, and occupational specialization that are usually assumed as parametric in the rules of the game. Even if not possible to prove that institutions generally have such ramifications, it is difficult to think of any institution that in the long run does not have implications beyond the behavior in the transaction it governs" Greif and Laitin (2004, p. 636). Take the example of large scale government social security/pension programs. Major reforms of pensions programs are rare and usually highly controversial (see e.g. recent attempts in France to raise the retirement age Leali, 2023).

Referring specifically to classical Historical Institutionalist approaches, here Pierson (2000), Greif and Laitin (2004) illustrate it, 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. Classical Historical Institutionalist approaches, which theorize *increasing return*, not *decreasing returns* over time, poorly explain this phenomenon.

From a Punctuated Equilibrium point of view, the general lack of pension reform can be straightforwardly interpreted as a case of negative feedback, i.e. without a significant disturbance in the status quo that opens a windows of opportunity for change, feedback behaves thermostatic and will counterbalance any attempt at reform. However, even though Punctuated Equilibrium Theory can be drawn upon to explain *why and how* a shock to the system allows for rapid policy change where there was long-lasting policy stability before, it makes no statement as to how such disturbances come about. As a consequence, such critical junctures can only be identified ex post It is very plausible that

Jacobs and Weaver (2014) propose three types of mechanisms that, over-time, may increase the likelihood of moving away from some past policy decision: (1) Emergent losses, (2) losses in mass cognition and (3) menu expansion.

Emergent losses

Classical Historical Institutionalist accounts

Jacobs and Weaver's (2014) argument

Discussion

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