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The Great Health Care Debate of 1993-94

DEREK BOK

Harvard University



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As the 20th century neared its end, the United States enjoyed the dubious distinction of having the highest health care costs in the world while being the only major democracy with a substantial fraction of the population still lacking basic medical insurance. On several occasions in this century, Congress seriously considered plans to provide universal health coverage. In each case, determined opposition led by physicians, big business, and Republican lawmakers blocked the proposals. With the election of President William Clinton, however, all of the auguries seemed to favor major reform. Rising health costs threatened to put American business at a disadvantage in world markets and thus made corporate executives receptive to a plan that might shift health costs to the government. Growing segments of the medical community expressed a desire to consider reforms; even hospitals seemed interested in some scheme that would spare them the heavy burden of giving free medical care to the uninsured. Most important of all, large majorities of the public rated health care reform among the most urgent problems facing the nation and voiced support for a plan that would provide medical insurance for all Americans. Buoyed by this widespread concern, Harris Wofford rode the health care issue to a surprise victory over Richard Thornburgh in an interim race for Senate in Pennsylvania during 1991.

Moved by these favorable signs, candidate Clinton made health care reform a centerpiece of his campaign platform. His election seemed to present him with an excellent chance to translate his promises into law. True to his word, he moved quickly to address the issue by announcing early in 1993 that he would assemble a task force of experts to review the subject and construct a plan that he could propose to Congress. To underscore his commitment to the effort, the President took the unprecedented step of naming his wife Hillary to head the task force.

Months later, after deliberating under a cloud of secrecy, the task force produced its report. Numbering more than 1000 pages, the final document detailed a complex plan that would guarantee basic health care for all Americans. For most people, coverage would come from employers, financed by payroll taxes and delivered through carefully regulated competition among



large non-profit health maintenance organizations, such as the Kaiser Plan and Blue Cross, or for-profit prepaid plans of the kind that were springing up across the country. For those who were not employed, the government would pay the cost of membership in a health maintenance organization. To negotiate with the health care providers on behalf of consumers, monitor their performance, and ensure their suitability, the Clinton Plan proposed the creation of new public organizations called health care alliances.

President Clinton announced the plan to the Congress in a widely acclaimed speech on September 22, 1993. In forceful tones, he urged the lawmakers "to fix a health care system that is badly broken...giving every American health security--health care that is always there, health care that can never be taken away. " During the days that followed, Mrs. Clinton appeared before Congress to respond to detailed inquiries from one committee after another. Pictures of the First Lady sitting alone before a battery of lawmakers coolly answering questions on a subject of extraordinary complexity won her widespread applause. Moved by all the favorable publicity and anxious for reform, large majorities of the public expressed support for the President's plan. In the words of TV analyst William Schneider: "The reviews are in and the box office is terrific. "

At that moment, the chances for sweeping reform seemed greater than they had ever been over the long, trying history of health care legislation. But appearances proved to be deceiving. After a year of innumerable committee hearings, reports, negotiations, trial balloons, and arguments from every quarter, Senate Leader George Mitchell announced on September 26, 1994 that health care legislation was dead, at least for that session of Congress. After all the publicity and all the talk, the failure to produce even limited reform seemed to epitomize the breakdown in government that many Americans feared.

The health care debate is in many ways an illustration of a process that is increasingly evident, albeit in less spectacular form, whenever legislation is proposed affecting large numbers of people. On such occasions, it is now common not merely to debate the issues in Congress but to engage the people directly in ways that resemble an election campaign. Members of Congress, of

course, return to their districts as they have always done to talk with constituents. But Congressional leaders, along with the President, speak directly to the people through televised speeches and appearances on talk shows. Interest groups also participate more and more actively by televised ads, electronic messages, and other forms of modern technology to reach the public and urge them to communicate with their representatives in Congress. When one adds in media reporters, talk show hosts, Op-Ed writers and expert commentary of various kinds, a major piece of legislation, such as Clinton's health care plan, can set off a national debate of formidable proportions.

Ideally, such a debate ought to display certain characteristics. It should provide opportunities for all points of view to be presented. No participant should be too weak to present ideas effectively or so powerful as to dominate the discussion through superior organization and resources. In addition, for the marketplace of ideas to operate effectively, issues and arguments must be joined in some fashion so that misinformation, faulty reasoning, and false issues can be winnowed out and the controversy reduced to the essential questions backed by enough reliable information and arguments for citizens to arrive at reasoned conclusions.

With these requirements in mind, what can be said about the quality of deliberation in America? Surely, there are valid reasons for concern. Major public issues tend to be more and more complicated and difficult to understand. The extraordinary wealth of ideas and opinions so characteristic of America can add to the confusion. Some major participants in the debate--especially powerful interest groups--may have much more money than other interested parties and thus enjoy a substantial advantage in carrying out an effective mass campaign of persuasion. Of course, the media are there to help the public sort out the problems and understand the proposals and the relevant arguments, but reporters often seem more interested in describing the political tactics and conflicts than in discussing the substance of complex policy issues. Finally, no debate can succeed without an attentive, interested public, yet Americans seem increasingly disinterested in politics and distrustful of what they hear from politicians and public figures.



Can a useful debate about important policy issues take place under these conditions? Can it do much to help clarify options, inform judgment, and contribute to wise results consistent with the broad desires of the people?

The health care debate of 1993-94 provides an instructive, albeit a somewhat extravagant case through which to ponder these questions. Much space and time were devoted to the issues by newspapers, TV stations and radio talk shows. More than \$100 million is said to have been spent on the legislative campaign by the many interest groups concerned with health care reform. Most of this amount was devoted to media efforts to communicate with the public. Innumerable fliers, TV spots, newspaper advertisements, and direct mail appeals were directed to citizens by interest groups on every side of the question. If there was ever a "marketplace of ideas" for public policy, the health care debate was surely a spectacular example.

Yet in the end, this vast effort at persuasion exhibited all of the weaknesses already identified and more besides. The debate was confused throughout by the large number of participating groups in Congress. Instead of simplifying the discussion by developing a single Democratic plan, several committees and even individual Senators and Representatives took it upon themselves to introduce separate reform plans, creating a daunting array of options for the public to follow and understand. By the end of the Congressional debates, 27 different legislative proposals were advanced, which in turn were identified in the media by 110 different names.

Interest groups spent large sums communicating with the public, but most of these efforts seemed designed less to inform than to arouse latent fears and anxieties. "This plan forces us to buy our insurance through those new mandatory government health alliances, " complained a prototypical wife, Louise, in a celebrated series of TV ads paid for by the Health Insurance Association of America. "Run by tens of thousands of new bureaucrats, " added husband Harry. "Having choices we don't like is no choice at all, " replied Louise. "They choose, we lose, " both concluded with evident disapproval.

According to a study by the University of Pennsylvania's Annenberg School of Communications, 59 percent of all the television ads were misleading. In



addition, most of the broadcast health reform ads concentrated on attacking a position rather than advocating one. A high percentage of the ads "impugn[ed] the good will and integrity of those on the other side of the issue. " Again and again, the same exaggerated themes were repeated. According to one side, the Clinton Plan amounted to "involuntary euthanasia" and deprived families of their choice of a doctor. According to the other, "Unless the Clinton Plan is passed, millions of Americans will have no access to health care. "

Ultimately, the opponents of the Clinton Plan proved more effective than the supporters. Many Americans were highly skeptical of government intervention and fearful that it would squander large amounts of money. The suspicion that all government programs are wasteful not only offered tempting opportunities for opponents to exploit through communications such as the Harry and Louise ads. They also caused the President's advisors to back away from trying to explain important parts of the Clinton Plan to the public. "Whatever you do, " warned one internal White House memo, "don't get caught up in the details of the policy. " Every effort was made to avoid any suggestion of increased taxes (other than tobacco taxes) or to intimate that more government bureaucracy might be required. As Theda Skocpol has observed, "Promoters of the Clinton Health Security Plan tried to avoid discussing the [health] alliances as new sorts of governmental organizations. Instead of telling Americans as simply and clearly as possible why this kind of governmental endeavor would be effective and desirable, their accommodation to the public's distrust of government was to pretend that President Clinton was proposing a virtually government-free national health security plan. "

In the end, the White House strategy did more to increase public misunderstanding than to promote the President's plan. Weeks after the President unveiled his proposal, large majorities of Americans still had no comprehension of what a health alliance did or why it was needed. Nor could they understand how the Clinton Plan could insure millions of Americans who lacked health care coverage without increasing taxes. Amid the suspicion that surrounds all government initiatives today, 80 percent of the public concluded that health costs would rise more than the President claimed; 54 per-



cent believed that costs would rise "much more. " Similarly, although only 25 percent of Americans claimed to understand what a health alliance was, 65 percent assumed that the President's plan would result in more bureaucracy.

The only hope of bringing clarity to the debate lay in the media. To their credit, reporters did make a serious effort to inform the discussion and enlighten the public in the early stages of the campaign. Major newspapers devoted lengthy columns, even entire pages to trying to explain the details of Health Care Alliances, employer mandates, and other intricacies of the Clinton proposal. With support from the Johnson Foundation, NBC aired a long program explaining the issues on prime time. The New York Times ran a 16-page special supplement on health care reform. Other newspapers provided extensive coverage of their own. After the President's initial speech to Congress, however, in September of 1993, media attention increasingly turned from the substance of the rival health plans under consideration to the conflicts and maneuvering of the different Congressional factions and interest groups that were struggling to get the upper hand. Some reporters even speculated that the health care debate was simply a smokescreen by the Clintons to divert the public's attention from the Whitewater saga.

As the number of competing proposals grew, substantive news coverage declined, and the barrage of interest group claims and counter-claims became more strident. Only about one-quarter of the newspaper stories and less than one-fifth of the television coverage focused on the substantive issues under consideration. Reporters tended not to mention the several areas of agreement between Republicans and Democrats, such as the need for some kind of insurance pools and for some means of allowing workers to take their health insurance with them when they changed jobs. Gradually, a sense of confusion overcame American voters. Eventually, a majority came to feel that Congress should abandon the effort and start again from the beginning the following year.

The public itself surely bears some responsibility for the quality of the debate. If the media came to concentrate more on the political maneuvers of opposing factions, the tactics of powerful interest groups, and the clashes within the Democratic party, it is surely because many readers and viewers found these



subjects more interesting than the numbing details of alternative proposals for reform. If the plight of the uninsured was not fully appreciated, part of the explanation must be that the poor and uninsured rarely bothered to vote, let alone make efforts to understand what was at stake and communicate their views to Congress.

Whoever is ultimately responsible for the quality of the health care debate, the end result was depressing. According to careful surveys, the public was even more confused about health care by the end of Congress' deliberations than it was when President Clinton first presented his plan to Congress in September, 1993. The public's reaction proved highly significant. In a survey of lawmakers taken after the Plan met its end, three-quarters of the members of Congress polled asserted that public opinion was a "very important" factor in the outcome of the deliberations. The problem, then, was not that Congress was unresponsive to its constituents. The difficulty was that the "marketplace of ideas" had failed to produce a working consensus. Months of intense competition to persuade Americans only succeeded in sowing confusion about the underlying facts and creating uncertainty about the proper solution.

Not everyone will be convinced that the health care debate was seriously deficient. Those who opposed the Clinton Plan may believe that, despite all the confusion and exaggeration, the public came to understand the problem quite clearly. Behind the glitter of President Clinton's brave promises, opponents argue, his plan would have produced more government regulation, a larger federal bureaucracy, higher health costs, and little or no improvement in the quality of care. According to these critics, members of the public who opposed the plan were correct.

Since the Clinton plan was never tried, no one can be sure what results, good or bad, might have ensued. Nevertheless, there are objective reasons for questioning the quality and effectiveness of the debate, whatever one thinks of the plan's merits. Not only did the average voter become more confused rather than less during the course of the debate; on key facts, the public continued to be misinformed. Americans never understood the government's role in Medicare and the cost that it entailed--a confusion nicely illustrated by a constituent's angry letter to Representative Pat Schroeder urging her to "keep the



government's hands off my Medicare. " Three months after President Clinton's initial speech, 56 percent of the public was still confused on the vital point of whether his plan guaranteed that workers would retain their health care coverage if they changed jobs. Over 70 percent continued to believe that the government spent less on health care than on humanitarian foreign aid. Most people thought that children had better access to health care than the elderly, despite the existence of Medicare. Only 25 percent of Americans said that they knew what a health alliance was, even though these institutions were a critical part of Mr. Clinton's proposal.

The public was especially badly informed about possible alternatives to the Clinton Plan. In March, 1994, a majority of Americans in one opinion poll stated that they had not heard of any alternative to the Clinton Plan. At the end of June, half of all Americans acknowledged being unaware that either Republicans or Democrats had advanced any alternative proposals for health reform. Sixty percent did not know of Congressman Cooper's plan or Senator Chafee's plan, and two-thirds were ignorant of Senator Dole's proposal.

The health care debate also failed to throw light on a critical problem that affected the attitudes of most Americans toward health care reform. Large majorities of the public felt that the principal cause of high medical costs was the existence of waste, fraud and greed within the health care industry. Accordingly, they were persuaded that adequate reforms could be financed by curbing these abuses. This impression was not misguided on its face. Doctors' incomes in the United States are 50-200 percent higher than they are in other advanced democracies. The General Accounting Office has estimated that fraud accounts for as much as 10 percent of the total health care bill. Studies show that American hospitals are much more heavily staffed than hospitals in other industrial nations and that the country is oversupplied with expensive medical technologies. Further studies estimate that up to 20-25 percent of all medical procedures in the United States are unnecessary.

Despite such evidence of waste, no effort was made to tell the public why it was not possible to pay for extending health care to the uninsured by curbing unjustified expenditures. The Clintons even tried to reinforce popular feelings by accusing insurers and pharmaceuticals of making excessive profits.



Since no one bothered to explain, it is little wonder that the public's principal reason for rejecting the Clinton Plan was that it would cost too much.

A final commentary on the health care debate emerges from a Wall Street Journal article appearing in 1994 entitled, "Many Don't Realize It's the Clinton Plan They Like. " The article reported the results of a Journal-NBC poll asking respondents their reaction to a health plan that contained all the features of the Clinton proposal without revealing that it was the President's plan. Respondents were also invited to evaluate the four other plans under consideration in Congress, again without identifying the sponsor of the plan to the readers. When the results were tabulated, 76 percent saw "some" or "a great deal" of appeal in the Clinton proposal, a much more favorable response than that given to any of the other plans. This result occurred at the very time that other polls were reporting a majority of Americans opposing the Clinton Plan.

The health care debate, of course, is not representative of all public discussions of policy questions. Few legislative issues are as complicated, and none has ever provoked such massive efforts to influence the view of American voters. Still, for issues of broad public concern, the differences are ones more of degree than of kind. The principal features of the struggle over health care--the grass-roots lobbying, the appeal to emotion, the media's preoccupation with controversy and tactics, the inattention of the public--are all common to most important legislative campaigns involving topics of direct interest to ordinary people. As a result, the lessons one draws from the history of the Clinton Plan have implications for the entire democratic process in this country.

The Role of Leadership

Since the focus of our attention is on leadership, it is appropriate to reexamine the health care debate from the standpoint of the President's role. How important was his leadership? How could he have improved the debate and helped the public reach a better understanding of the issues? Is there anything



he might have done that would have secured the passage of major health care reform?

To carry through a legislative campaign of this magnitude, effective Presidential leadership was clearly essential. Because the issue touched every American and involved such vital interests, public opinion was bound to be important, and the President would have to use his "bully pulpit" to maximum advantage. His power to command attention and attract an attentive audience would clearly be vital to overcoming the doubts and confusions spread by powerful adversaries.

From this standpoint, the President's performance can be criticized on several grounds. First of all, one can argue that he attempted to do too much, too soon in view of his weak popular mandate (43 percent of the popular vote in 1992). Perhaps it would have been better to seek reform in steps, starting with such popular items as covering children and providing portability of health care benefits. In this way, he could have broken a huge subject down into manageable pieces that could be understood by the American people in the course of a public debate that might have taken several years.

Another criticism involves the President's use of a task force, headed by his wife, that operated in secret. This process tended to shut out voices that might have helped create a more viable plan--voices of knowledgeable persons in the Administration who feared to criticize the work of the First Lady, voices of critics of a managed competition approach who were excluded from the Task Force, voices of interest groups and politicians (who were consulted, but not much) who might have exposed the political vulnerabilities of the eventual plan. Secret deliberations and exclusion of contrary voices are probably not a viable way of crafting a major reform in an environment in which the President has limited influence over Congress, powerful opponents, and a public distrustful of government and its capabilities.

Finally, once the plan was introduced the President did too little to explain it to the people. Indeed, at the urging of advisors, the Administration denied that the plan would cost any more than what could be raised by "sin" taxes and avoided discussing how such important items as the proposed health



care alliances would actually operate. In an atmosphere of crisis or during a time of maximum trust, a leader may gather support for an important proposal without explaining important details. But this was not President Clinton's situation. By saying so little about costs or the alliances, he allowed his adversaries an open field to convince an already skeptical public that his plan would cost the taxpayers money and create another large, unwieldy federal bureaucracy.

Despite these shortcomings, it is one thing to criticize the President and quite another to maintain that skillful leadership would have secured the passage of major health care reform. There is always a temptation in America to believe that strong leaders can solve anything. In 1979, when unemployment and inflation were rising to post-War highs, oil prices were rising by virtue of OPEC policies, and the Russians were invading Afghanistan, 78 percent of Americans declared that "there are no problems in the country that strong leadership cannot solve. " While faith of this kind is appealing, however, a hard look at the evidence suggests that passing major health care reforms in 1993-94 represented a gargantuan task that would have stymied any President.

To begin with, there were huge deficits in the budget and tremendous opposition to any tax increases (other than sin taxes). As a result, Clinton was forced to devise a plan that could not buy off opposition by increasing benefits. In addition, he faced a public with little or no confidence in government's capacity to function effectively. Hence, he had to try to reform the health care system without seeming to add to bureaucracy. Furthermore, he had to operate within a climate of acute distrust toward politicians. Thus, he had to propose a vast reform in a highly complicated and sensitive field of activity without being able to ask the people to take anything on faith. Finally, he had to contend with interest groups which would spend over \$100 million trying to convince the public that his ideas were dangerous, wasteful, and unworkable. It seems highly doubtful that any leader could make his way through such a minefield and have the Congress enact a major health care reform.

Conclusion

The health care debate reveals a dilemma for democracy and public debate that is far from new but growing greater with time. The issues that a modern government must face seem increasingly complicated. Health care affords an apt illustration. In addition, the quality of debate--although richer in information than before--is more confusing as more and more voices enter in, many of them highly partisan with goals quite different from the pursuit of truth and the public interest. Under these circumstances, the burden on the voters to understand the issues and arrive at an informed opinion are greater than ever, precisely at a time when voters are increasingly disinterested in government and cynical about the value of citizen participation.

Ideally, the inherent complexity of the issues calls for greater trust in elected representatives to work out enlightened solutions with the public concentrating more on electing the best and ablest candidates to serve them. Instead, because the public so distrusts the legislature, lawmakers rely increasingly on public opinion to guide their action, which in turn leads interest groups to devote more money and effort to mobilizing grass-roots opinion for their own advantage.

What opportunities are there to improve matters? Not an easy question. Inspired leadership is always to be desired but hardly something one can count on to offer more than temporary, occasional relief.

Is there anything that would restore public confidence--not to the point of uncritical gullibility--but to a level sufficient to allow elected officials some leeway in enacting measures to deal with complex problems? Two things might restore some trust and confidence; it is hard to think of others. One is some demonstrable success in coping with a series of major national problems; the other is a prolonged period of economic prosperity (and even this does not seem to be working at present). Neither is something one can easily bring about by purposeful action.

Is there some way of making policy proposals using voices other than those of politicians that would command greater trust from the public? Bipartisan



commissions with eminent members represent one way that has been tried, occasionally with success. Universities have done something of this kind in the health care field by issuing newsletters on health problems that try to give reasoned summaries of what is known and not known to counteract the swirl of confusing reports about so many medical questions. Are there adaptations of this principle that might work for at least some issues of public policy, such as global warming?

A second question worth exploring is whether there is some way of creating more useful, informative discussion in the media. As economists have shown, market forces will lead to underinvestment in public affairs discussion because private firms cannot capture the social value in a democracy of increased public enlightenment on policy questions. As a result, one can argue that greater investments are needed--considerably greater than the amounts allocated to public affairs broadcasting on NPR or public television. Can one imagine a way of creating and financing programming that could help offset the tendency in the media--as illustrated in the health care debates--to veer off into a preoccupation with tactics and political conflict? Could such programming be kept objective and free from political influence? Could it be made interesting enough to capture a reasonable segment of the viewing audience?

Finally, shouldn't we recognize the importance of having citizens be informed about public issues and respond to the growing apathy and cynicism of the public by making much more determined efforts to prepare Americans as citizens? Clearly, this is a task that has been neglected in recent decades. In schools, it is sacrificed to the preoccupation over preparing a workforce for the global economy. In universities, it is rarely discussed as an explicit aim of undergraduate or professional education. In the media, civic journalism has confronted the issue directly, but there is much opposition from powerful sources.

What has never been tried is a concerted effort at all levels to recognize active citizenship as a major goal of democratic society to be pursued simultaneously at many levels and in many forms. Perhaps the most important opportunity for effective leadership on the part of the President and other key po-



litical leaders is to put this challenge on the agenda and stimulate an active discussion in many quarters on how citizenship and civic virtue can best be cultivated and strengthened throughout American society.