Conservative Health Policy: A Reality Check

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Where We Are with Obamacare

- Rocky implementation
- Piling up negatives:
  - Costs
  - Resistance
  - Delays, distortions, deals, disguises
  - Exceptions are the rule?
  - Get me “rewrite?”
  - Living off the land
Neither Repealed Nor Replaced

• Unpopular as ever
• Overturning permanent law is hard
• Whatever doesn’t kill me makes me ?????
Mixed Reactions
“Network” Effects

So I want you to get up now. I want all of you to get up out of your chairs. I want you to get up right now and go to the window. Open it, and stick your head out, and yell, 'I'M AS MAD AS HELL, AND I'M NOT GOING TO TAKE THIS ANYMORE!' Things have got to change. But first, you've gotta get mad!... You've got to say, 'I'm as mad as hell, and I'm not going to take this anymore!' Then we'll figure out what to do ....
“The Peasants Are Revolting”
Exchanges
Open for Business – Oct. 1?
Senate Republicans

Green Eggs and Ham

By Dr. Seuss
Defunding Shutdown?
House Republicans
Surrender? Not Yet!
The Fork in the Road
Reality Check Lessons

• Rooting for failure
• Just saying no
• Simple fiscal formulas
• One-way Medicaid federalism

NOT ENOUGH
Lessons

Timing & pace matter (different speeds)
• Transition from ESI to personalized individ mkt
• Medicare fiscal reform off pause control
• Respect consumer risk aversion & desire for predictability
Reality Check Lessons: Policy Reform ADD

- Safety net ceilings & floors
- Under the hood: health delivery system
- Better info for new decision makers
- Expand the toolbox & portfolio
- Putting health policy in context
Beyond Politics, 24-7-365

- Not just “politics” and who wins & loses
- Public sector overload
- Lighten up those dead-weight losses
- More new entry and competition w/o cronyism
Seeing A Different World

• Incentives vs. compulsion
• Equal opportunity vs. equal results
• Less politics, more markets
• Pro-market vs. pro-business
• Independent achievers vs. dependent victims
• Reward results vs. manage processes
• Causes & consequences: costs vs. coverage
• Floors vs. ceilings
We Can Do Better
Answer “Why” Before “How”

• Opportunity for everyone to do better
• Reflect & reinforce values
  ✓ Improve health
  ✓ Patient-driven
  ✓ Accountable
  ✓ Balance with other needs
• Simplify for real people
Basic Building Blocks

• Defined contribution financing (all subsidies)
• Retarget, protect most vulnerable
• HRP $$$, continuous coverage incentives
• Information, incentives, innovation
• Beyond health insurance: the bigger picture
DC Deliverables

• Change the locus of decision making
• Public dollars start with beneficiary/patient
• Neutralize misincentives
• Expand positive incentives to:
  ➢ Seek and produce information
  ➢ Maximize value (beyond just health coverage)
  ➢ Reward better performers
  ➢ Customize & personalize, tradeoffs, trade-ups
• Information-based regulation
• Re-integrate public and private systems
• Real connections -- willing buyers & sellers
The Ordeal of Change: Getting under the Hood

- Unlock & rebalance: resources, roles, expectations
- Getting beyond a common rhetoric
- National goals, local trial & error
- Payment incentives can nudge
- Only practitioners deliver
- Beneficiaries choose agents & partners
- Admit what we don’t know
- Pay more OOP for what works better or is more wanted
Incomplete: The Bigger Picture

- Reversing the dependency ratio
- Rebuilding human & health capital
- Improving health outside the doctor’s office (social determinants, self-help)
- Beyond insurance: making care cheaper, better, quicker
- Supply-side expansion (scope of practice, telemedicine, competition policy)
- Competing for efficiency, w/o bonuses
- Saving money, or improving value?
- Accountability: to patients or politicians?
The Ordeal of Change: Reality Checks for Tougher Calls

• Stop subsidizing the middle class
• Bring regulatory cross-subsidies on budget
• Adjustments add complexity & transition time
• Cost of Medicaid mainstreaming
• Slower path to coverage neutrality
• Defaults for disengaged
• Competition is disruptive
• Bleed out, or bandage, Obamacare?
• Public wants “real problems” fixed, w/o “real solutions”