

Health Security Act file



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Clinton health plan lives again

WASHINGTON - Did it set the stage for big changes or gum up the works for years?

However you look at President Clinton's doomed 1993 health-care reform plan, Congress and the White House are inching toward some of its goals.

There's no master plan, no fancy title or catchy slogan. There are no battling ads on TV. But a new approach to health care is evolving in a comparatively slow and relatively quiet "stealth health" process.

First there was the 1996 Kassebaum-Kennedy law to help people get and keep insurance. Now national leaders are beginning to tackle Medicare costs and promising billions to expand health coverage for low-income children.

The operative cliché here may be better late than never.

"It did delay us," Sen. John Breaux, D-La., says of the Clinton plan. "But at least it exposed people to ideas."

Congress waited nearly a year - until late October 1993 - for the "Health Security Act" Clinton had promised would be the centerpiece of his first term. It was massive, bewildering and, says Breaux, "almost dead on arrival." And it was such an easy target that it helped Republicans win control of Congress in 1994.

Then the situation reversed itself. Republican attempts to curb Medicare growth proved an irresistible target to Democrats. It was not until late 1996 that the two parties took up where they had left off in 1992 - discussing practical and fairly modest reforms, led by Senate moderates of both parties.

Now, for the first time in years, both sides are eager, or at least feeling politically pressured, to get things done. It's a case study of Clinton's on-the-job training and of GOP efforts to soften a callous public image. Developments so far:

- Congress passed and Clinton signed the Kassebaum-Kennedy law saying people with medical problems can't be denied coverage, simplifying insurance forms and raising the tax deduction for insurance purchased by self-employed people.
- Clinton and Congress have agreed this year to subsidize health insurance for more children. Plans on the table range from \$16 billion to \$24 billion and would cover 300,000 to 5 million of the country's 10 million uninsured children.
- Congress is forging ahead on Medicare changes meant to stabilize the system's finances and encourage Medicare patients to join managed-care plans, which monitor treatment to control costs. Proposals include offering seniors more choices, such as health maintenance organizations; raising Medicare eligibility to age 67 by 2027 from 65 now; and requiring well-off retirees to pay higher premiums.
- Clinton and others are suggesting ways to encourage small businesses to band together to bargain for cheaper insurance.
- The government has become a watchdog over the managed-care industry. A first step: guaranteeing at least a 48-hour hospital stay after a woman has a baby.

Some White House officials say the Clinton plan was a catalyst for what's happened since. "Clinton gets credit for putting health care on the agenda," says Gene Sperling, director of the White House National

Economic Council. "He gets credit for doing a lot to focus the country on cost consciousness, from the average consumer to the business executive."

But it's hard to find enthusiastic defenders of his 1,342-page bill. At a New Year's gathering, Clinton called it the worst mistake of his presidency. After it failed, he told a California audience last week, "We decided to try to go at this step by step."

The consensus among many Republicans, Democrats and academics is that these steps might have occurred sooner if Clinton hadn't interrupted the normal flow of business. Before his election, Capitol Hill was buzzing with proposals to cover uninsured children, require employers to offer insurance and let people take their policies with them from job to job.

"He could have had coverage of kids in four hours in his first term if he wanted," says Robert Blendon, a Harvard expert on public attitudes about health care.

Some at the White House counter that congressional Democrats at that point weren't willing to accept small reforms. Neither was Clinton. In a signature threat, he warned Congress he would veto any bill that did not guarantee universal insurance coverage. At the time, 36 million people were uninsured.

Now there are an estimated 40 million uninsured, but universal coverage isn't mentioned anymore. Instead, the federal government is gradually moving to extend insurance to one group at a time - workers between jobs, people with health problems, some poor kids.

Many analysts say the key to universal coverage is requiring employers to offer insurance to workers. But that idea - a pillar of the Clinton approach - is dead for now. Even at the White House there's acknowledgment that its association with the Clinton plan makes the idea politically untouchable.

Universal coverage may be increasingly elusive, but market forces are well on the way to achieving another aim of the Clinton plan: widespread use of managed care. Tens of millions of people have been pushed by their employers into managed-care programs. The double aim is care that's both cheaper and better. There have been cost savings and some relief from soaring medical inflation. But along with that has come a new government role: making sure people get proper care in private health plans.

Clinton and Congress have stepped in to prevent cost-driven medical decisions that already have prompted legislation in 35 states, among them so-called "drive-through deliveries" and "gag rules" that restrict what doctors can tell patients about treatments they might pursue. Clinton has appointed a commission to report back on the government's role in assuring quality care.

Some analysts say the managed-care industry was into a major growth spurt well before the administration weighed in. But others say Clinton helped accelerate the trend. "The managed-care revolution was moved along by the threat of the Clinton health plan," says Blendon. Employers, insurers and doctors "thought it was going to be the law of the land."

If there's one overriding legacy of the Clinton health debacle, in both parties, it's caution.

"It was such a political failure that everybody learned a lesson - that you really couldn't go in there and offer a national solution, that you had to go back to a piecemeal thing and worry about one problem at a time," says Robert Helms, director of health policy studies at the American Enterprise Institute. "Maybe that was reality all along."

Clinton is supporting a tobacco-tax increase to subsidize children's insurance, but he initially opposed it on the grounds that it might jeopardize a historic agreement to balance the federal budget. He is still fighting controversial Senate moves to raise the Medicare eligibility age and charge affluent seniors higher premiums, saying they are not part of that agreement.

The Clinton reform episode made it "twice as tough" to win support for any type of health-care expansion, says Sen. Orrin Hatch, R-Utah, chief GOP sponsor of the tobacco-tax plan: "Automatically the antennae go up: Is this another Clinton big-government, big-spending, socialized medicine

program?' You have to go through all those arguments every time."

A diehard opponent of the Clinton plan, Sen. Phil Gramm, R-Texas, doesn't regret the debate. "At least it convinced people of what we did not want to do. It was sort of like having a near heart attack to make you more diligent on your diet."

Liberals say Congress is dealing with high-profile but marginal matters instead of big issues such as universal coverage.

"At some point the focus is going to get back to the fact that there are so many millions without insurance coverage. People are going to ask why," says Rep. Henry Waxman, D-Calif. "The American people are going to raise the issue and wonder which party is going to do something about it."

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