Exploring the Challenges of Making Health Policy

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The Complexities of Health Policy
The Fundamental Allocation Problem in Health Care

Chart 1. Percent of Total Health Care Expenses Incurred by Different Percentiles of U.S. Population: 2002

Figure 4: Mean Total Expenditures for the Diabetic Population by Vingtiles in Manitoba, Fiscal 2005-2006

## Growing Multiple Challenges and the Weight of Inaction

<table>
<thead>
<tr>
<th></th>
<th>Costs</th>
<th>Coverage</th>
<th>Consequence</th>
</tr>
</thead>
<tbody>
<tr>
<td>1912</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>FDR</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Truman</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Nixon/Ford</td>
<td>0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Carter</td>
<td>0?</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Clinton</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Now</td>
<td>--</td>
<td>--</td>
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</tbody>
</table>

0 = No evidence or limited perception of problem
-- = widely recognized evidence of problem
-- = evidence of problem and getting worse
-+ = evidence of problem but getting better
The Value/Ideological Divide


“From the publicizer viewpoint, the basic problems with today’s health care system are that there are too many people left out, too many uninsured, and costs are too high, which is largely a function of private profiteering, fraud, and abuse. . . .

For the privatizer the basic problem is that the market has been distorted by tax policy, by excessive regulation, and in some markets by risk selection.

Why do the two groups see the same environment so differently? In large part it is because they begin with very different sets of values.

The publicizers value equity, security, predictability, and control. . . .

The privatizers value efficiency/effectiveness, flexibility, change, and freedom. These different values are played out in efforts to address all other questions.” (pp. 182-183)
The Complexity of the Legislative Process
Structure of the **House of Representatives**
During Four Periods of Reform Debates

- **Decentralization**
  - Centralization
  - Fragmentation

1940s (Truman)

- **Fragmentation**
  - Centralization
  - Decentralization

1970s (Nixon/Ford/Carter)

- **Fragmentation**
  - Centralization
  - Decentralization

1993-94 (Clinton)

- **Centralization**
  - Decentralization
  - Fragmentation

Now (Obama)
Structure of the Senate During Four Periods of Reform Debates

- **Decentralization**
  - Fragmentation
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  **1940s (Truman)**

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  **1970s (Nixon/Ford/Carter)**

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  - **Centralization**

  **1993-94 (Clinton)**

- **Fragmentation**
  - **Decentralization**
  - **Centralization**

  **Now (Obama)**
Party Unity U.S. House and Senate
Ideological Positions on House Roll Call Votes, 93rd Congress (1973-74)


About 1/3 could be either Dem or GOP
Ideological Positions on House Roll Call Votes, 110th Congress (2007-08)
(Source: Poole and Rosenthal, http://voteview.uh.edu/dwnomin.htm)

- 4 of the 5 defeated in 2008
- 15 of the 26 defeated/departed in 2008
Ideological Positions on Senate Roll Call Votes, 107th Congress (2001-02)
(Source: Poole and Rosenthal, http://voteview.rti.edu/dwnomin.htm)

NEED TO UPDATE FOR 110TH CONGRESS

Number of Representatives

DW-Nominate Scores (1st Dimension)

-1 -0.8 -0.6 -0.4 -0.2 0 0.2 0.4 0.6 0.8 1

Republicans
Democrats
The Challenge of Interest Groups
Attempting a “Left-Right Synthesis”

Interest Group Positions on Clinton’s Health Security Act

Source: Mark A. Peterson, Project on the Politics of Health Care Reform, 1995 Survey of Interest Groups and Organizations in the United States (n=120)
The Challenges of Public Opinion
The Public’s Views about the Nature of Health Care Services

Percent

<table>
<thead>
<tr>
<th>Category</th>
<th>2006</th>
<th>Mean</th>
<th>2008</th>
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<tbody>
<tr>
<td>Private Goods</td>
<td>13.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic Services for All</td>
<td></td>
<td></td>
<td>35.5</td>
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<tr>
<td>Provided as a Right</td>
<td>46</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Don't Know</td>
<td></td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>
Views about What Affects Individual and Family Health, Ranging from an Individual Matter (“We’re on our own”) to a Community Matter (“We’re in this Together”)
Public Support for Major Health Care System Change

Defeat of Clinton's HSA

NEED TO UPDATE WITH 2008 DATA

Percent


(9/94)
The Individual Cognitive Process

• **Duality of Individuals’ Information Processing**
  (Drew Westen, *The Political Brain*)
  
  – “Rational”
    
    But also...
  
  – “Emotional”
    
    • Kahneman and Tversky: “Prospect Theory”
Political Hurdle #3: The Fear Arc

![Graph showing public support over time](image-url)
“Critical Junctures” and the Incentives They Produce
Political Game Changers and Critical Junctures

Evidence of a Signal Political Moment:

- President won a clear majority of the popular vote
- President’s party has close to a 60% House majority or more
- President’s party has close to a 60% Senate majority or more

Strong electoral signal:

- President’s party gained 20+ seats in the House in last two elections
- President’s party gained 5+ seats in the House in last two elections

• Franklyn Roosevelt 1932 Break from past
• Lyndon Johnson 1964 Continuation
• Almost:
  - Ronald Reagan 1980 Break from past
• Barack Obama 2008 Break from past
Economic Resources and the Politics of Policy Change

Prospects for Major Policy Change

Growing Economy/Rising Revenues  Stagnant Economy/Budget Deficits  Economic Crisis

LBJ  Nixon, Carter, Clinton (1993-94)  FDR, [Reagan], Obama?
The Costs of Stalemate and Finding a Way Forward
Checks and Balances: The Dynamics of Opportunities, Gambles, and Miscalculations

Madisonian Institutions

Past Policy Stalemate

Frustration

Institutional (Political) Change

Opportunity

Gamble

Miscalculation

New Policy Stalemate and the Reliance on Incrementalism