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## Health reform is a risk worth taking

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EVERY piece of legislation is in some sense a wager: that it will accomplish what is intended; that its costs will be as anticipated; that the promised funding will materialize; that, however imperfect, it represents an improvement on the status quo. Voting for the health reform package now before the House of Representatives represents, in those terms, a huge gamble.

First, it is a bet that the potential of controlling rising health-care costs will be fulfilled, thus justifying the fiscal risk of a \$1 trillion entitlement program. Second, it is a judgment that the benefits of expanding coverage to 32 million Americans and giving new protections to those who are currently insured outweigh the dangers of restructuring such a huge chunk of the economy -- dangers heightened by the party-line and likely razor-thin margin of the vote. Finally, it is an assessment that the pending measure represents the best that is achievable and that the choice is therefore between the bill and the status quo, not between the bill and a notional better version.

For some on the left or the right, the smart betting might be clear. For us, and we suspect for many thoughtful Americans, the decision is not so easy. We believe stronger and more principled presidential leadership could have delivered a bill that was paid for from the start, rather than one that relies on budgetary gimmicks in the short term -- and, for the long term, on presidents and congresses mustering greater courage than the incumbents have displayed. But if legislators are asked to cast an up-or-down vote in the next few days, our advice would be to vote yes. With trepidation, we would say that the benefits of acting outweigh the risks.

The first chief benefit would be to cover the uninsured, ending America's position as the only major industrialized democracy that does not provide health insurance to its citizens. Those who now have insurance would enjoy protections against arbitrary termination of their coverage or dollar limits on reimbursements. People with preexisting conditions could purchase coverage at the same price as healthier customers. All this would make America a fairer and more compassionate country.

But at what cost to a government already facing a staggering debt load? When President Obama last year kicked off his drive to reform the health-care system, we welcomed two principles he embraced. Reform should be paid for, he said -- that is, it should not add to the deficit. And it should slow the growth in health-care costs -- what has come to be known as "bending the curve." This latter goal was crucial, because two factors above all are driving the U.S. deficit: the aging of the population and rising health-care costs, which force federal and state governments to spend ever more on Medicare, Medicaid and veterans' care.

As the health-care debate unfolded, however, those goals increasingly were pushed aside in favor of expanding access. One of the chief mechanisms to rein in costs, the excise tax on high-value insurance plans, is [not scheduled to take effect until 2018](#), long after Mr. Obama will have left office. More worrisome: Will it take effect at all -- or will a future Congress balk, once the benefits of health reform are in place? Likewise with promised cuts in Medicare spending: Will they be implemented or,

as with perpetually delayed cuts in reimbursement rates for physicians, will they be postponed once they start to pinch? The package of fixes [unveiled by the House on Thursday](#) revealed yet one more promise of virtue postponed: It pumps up subsidies at the start, to make insurance more affordable (and mollify liberals in the short run) -- but in later years has the subsidies growing more slowly than previously budgeted, allowing for boasts of deficit reduction.

Yes, [the Congressional Budget Office scores the latest measure as reducing the deficit](#), particularly in its second decade. But the CBO's rules require it to accept that Congress will do what it says it is going to do. Experience suggests that is not always the case -- especially with powerful constituencies such as seniors and health-care providers pressuring lawmakers. Meanwhile, the revenue lost from the reduced and postponed excise tax will be made up with a new Medicare payroll tax on wealthy taxpayers' unearned income. If Medicare taxes are spent on what Mr. Obama terms "the largest middle-class tax cut for health care in history," where will he find revenue to save Medicare itself?

So moving ahead with health reform is fraught with risk. The question is whether the measure carves out enough of a toehold on cost containment to justify that risk. We think it does. And this is the second chief selling point: The measure contains important seeds of reform.

It would promote changes to the nonsensical current arrangement of fee-for-service medicine, which rewards quantity of services over quality of care. It includes initiatives such as bundling payments among providers so that they have a joint incentive to control costs and establishing accountable care organizations that could provide integrated service at a lower cost. It would create a Medicare Commission empowered to make recommendations on cost control subject to an up-or-down vote of Congress; the commission's scope is not as broad as we would like at the outset, but it is a potentially powerful tool. The dilution of the excise tax is troubling, but even before it is slated to take effect, the tax could have a beneficial effect. Insurers and employers will have an incentive to tailor plans to cost less than the taxable threshold, putting a brake on costs even before the tax is set to take effect.

All of these gains are provisional. Congress could ramp up spending and then neuter the Medicare Commission. It could, as we said, put off the excise tax year after year. But these reforms are more likely to become real if they are enacted now and on track to take effect unless Congress deliberately repeals them than if no action is taken.

It is shameful that in a country this wealthy, so many people go without adequate health care. Insuring them is a moral imperative. It is also shameful that today's leaders are prepared to pass on so much debt to future generations. That, too, is a moral issue: If unchecked, the debt will erode American prosperity and hurt the poor most of all. Our judgment is that passage of health-care reform, as maddeningly imperfect as it is, would put the country in a better position to deal with both challenges.

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