

Memo

Project for a Healthy American Future

To: The House Democratic caucus, Senate Democratic caucus, and interested parties

From: Steve Benen, Contributing Writer, the *Washington Monthly*

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Subject: The way forward on health care reform in 2010

About 16 years ago, William Kristol crafted a lengthy strategy memo for congressional Republicans, advising them on how best to deal with then-President Clinton's health care reform initiative. At the time, a variety of Republican offices had every intention of presenting alternative reform plans — in part to help shape the debate, and in part to demonstrate the GOP's interest in addressing a chronic national problem.

Kristol, however, noticed that his party lacked direction, and offered his vision as a way forward. His memo offered a simple and clear response: the GOP had to kill the Clinton reform plan at all costs. The merit of the reform proposal and its ability to improve the lives of Americans was deemed largely irrelevant — Kristol argued that a successful reform effort would position Democrats as the "protector of middle-class interests," a fate the GOP could not allow. The Republicans' principal goal, Kristol added, should be to focus on handing the White House a "monumental setback." (He declined to use the word "Waterloo," but the sentiment was hardly vague.)

The memo became the basis for the GOP strategy in 1994 — it remains the guiding principle of the Republican Party today — and was integral in killing what was thought to be the best chance at passing meaningful reform since the days of Truman. Clinton's approval ratings suffered dramatically; Democrats developed a reputation for being unable to deliver on their own agenda; and less than a year later, Democrats lost their congressional majority. Republicans, far from being punished for their obstructionism, reaped the rewards of health care reform's demise. (Indeed, the public blamed the White House and the Democrats for overreaching, grinding on for months, and having little to show for it — a task made easier when Democrats blamed each other in ways that played into the Republican narrative.)

As the health care system worsened, the issue of comprehensive reform became toxic for Democrats, and it would be nearly two decades before a president with an impressive electoral mandate, working alongside huge Democratic congressional majorities, chose to take on the domestic policy challenge that has burdened the United States for generations.

After grueling, often thankless work, and overcoming seemingly-insurmountable hurdles, the task of fulfilling the promise of reform was all but complete less than two weeks ago. The door that appeared locked forever was finally open, with Democrats poised to make history by crossing the threshold.

As is now well known, there have been recent setbacks that make taking the next step difficult. Some may see the value in leaving the door ajar, or perhaps coming back to it at a later time. Opponents would have lawmakers believe we'd all be better off if they just closed the door and walked away.

It is imperative for the country, the economy, the party, and the Obama presidency that Democrats resist the temptation to let this rare opportunity slip by. The most effective path forward is also the most obvious: the House should approve the legislation that has already passed the Senate, and the Senate should extend assurances to the House on pursuing improvements through the budget reconciliation process.

I. The need for reform is overwhelming — and growing more intense every day.

The reasons that made health care reform an absolute necessity two weeks ago were not changed by a narrow majority of special-election voters in Massachusetts — many of whose Republican and independent voters support their own state's version of what congressional Democrats seek to do.

For all the media interest in political strategies, polls, and attack ads, the health care system remains badly broken. The reform package approved in December by the Senate would not only be the most important domestic policy breakthrough in decades, it would quite literally save American lives.

As anyone even passively familiar with the debate surely knows, the tens of millions of Americans with no coverage are struggling with a burden unseen in other major democracies. Thousands more join the ranks of the uninsured every day. Tens of thousands of Americans die every year because they have no insurance. Hundreds of thousands of others fall into medical bankruptcy — and most of these medical bankruptcies involve people who have insurance, but whose coverage proves inadequate.

To come up short now, or to pass a half-measure intended to respond to shifting political winds, would be more than just a political fiasco. It would be genuinely cruel.

The circumstances are incontrovertible. We pay too much and get too little. The system is bankrupting families, undermining businesses, hurting wages, and placing crushing burdens on government at every level. If reform falters right now, every easily-identified problem will get considerably worse. The current course is simply unsustainable for a country that hopes to have a fiscally responsible, competitive, and healthy future.

II. The political climate is inhospitable, but can be improved.

Any fair observer of the current political landscape recognizes that public support for reform waned as the legislative process unfolded. Some critics are on the left, hoping for an even more ambitious remedy, though most of the proposal's detractors have come to accept as true the

often-false attacks waged by the insurance industry, the Republican Party, and right-wing activist/lobbying organizations.

To believe, however, that the attacks have done irreparable harm, and that far-right distortions are already too pervasive, is a mistake.

Public opinion on health care reform has been shaped in large part by right-wing advertising, public anxiety, and confusion. Last week, however, the Kaiser Family Foundation published its latest research, noting that while Americans are evenly divided in their feelings about the reform proposal, support for the plan grows when Americans learn what's actually in it.

Of particular interest, survey respondents were impressed after being told about tax credits for small businesses that want to offer coverage to their employees, health insurance exchanges, the elimination of insurance denials based on pre-existing conditions, help in closing the Medicare "donut hole," and the extent to which reform would reduce the deficit.

The silly caricature — "death panels" and the threat of a "government takeover" — is obviously wrong to those who are fully engaged in the details, but has nevertheless gained a foothold among much of the public. What's important to remember, though, is that there's ample evidence that public perceptions can change fairly quickly.

Democratic policymakers must give success a chance. The polls are far more likely to recover if Democrats follow through on their campaign promises, pass the Senate bill, reap the rewards of a breakthrough victory, and then get out there and sell their handiwork — making clear to the country that the scare tactics were wrong.

What's more, once the bill is signed, the media won't just have a historic signing ceremony to cover. There will also be plenty of reports about what the new law does and does not do — "How the new health care law affects you" — which would further help improve the policy's public standing. (The alternative is a year's worth of news coverage about how hapless Democrats passed a monumental reform bill, but failed anyway.) There will also be "comeback kid" coverage, with Dems snatching victory from the jaws of defeat, rather than the other way around.

The Democratic drive to improve the party's standing in the polls is obviously common sense. But no party's public standing has ever improved after it deliberately failed to deliver on its promises.

III. The political risk of failure is far greater than the alternative.

One need not rely on a crystal ball to know that opponents of health care reform will invest heavily in attack ads this year. Passing the strongest possible bill at least gives Democrats a fighting chance to win the argument.

Indeed, Democrats can expect one of two scenarios: (1) an ad that tells voters, "Democrats voted to pass a liberal health care reform bill"; or (2) an ad that tells voters, "Democrats voted to pass a liberal health care reform bill — and then failed anyway when things got tough." If the ads are inevitable — and they are — Dems will be in a stronger position to defend themselves on the heels of success, not failure.

There is no realistic scenario in which the electorate is impressed by policymakers who spend a year doing the hard work of tackling a seemingly-impossible challenge, pass the landmark legislation, and then somehow manage to come up short anyway.

Such an approach, in short, is electoral suicide. The party has already paid a steep political price for proposing a solution; now it's time to reap the political reward that comes with completing the task.

It can also not be overstated the extent to which the Democratic base is counting on a comprehensive bill. There can be little doubt that Republicans' far-right base and "Tea Party" activists will be energized in advance of the 2010 (and 2012) elections. To withstand the onslaught and close the "enthusiasm gap," the success of health care reform couldn't be more critical.

Failure to pass a comprehensive bill, or support for a scaled-back plan, would leave Democrats feeling demoralized — especially when a single roll-call vote in the House on the Senate bill would deliver such an important victory. The *Washington Post's* Ezra Klein, a left-leaning expert on health care policy, has developed a reputation as a mainstream progressive observer, willing to accept policy compromise. And yet, this week, addressing congressional reluctance to approve the Senate bill, Klein raised the specter of "betrayal" and irreparable harm to the relationship between the party and its supporters.

The fundamental pact between a political party and its supporters is that the two groups believe the same thing and pledge to work on it together. And the Democratic base feels that it has held to its side of the bargain. It elected a Democratic majority and a Democratic president. It swallowed tough compromises on the issues it cared about most. It swallowed concessions to politicians it didn't like and industry groups it loathed. But it persisted. Because these things are important. That's why those voters believe in them. That's why they're Democrats.

But the party looks ready to abandon them because Brown won a special election in Massachusetts — *even though Democrats can pass the bill after Brown is seated....* If Democrats let go of health care, there is no doubt that a demoralized Democratic base will stay home in November. And that's as it should be. If the Democratic Party won't uphold its end of the bargain, there's no reason its base should pretend the deal is still on.

If center-left policy wonks are expressing this level of disappointment, it's very safe to assume the activist base will be hopelessly deflated by the failure of health care reform, and Democratic donors will have no reason to invest in a party that cannot follow through on its top domestic policy priority.

IV. Why not turn the tables and put Republicans on the defensive?

It often goes unstated, but it's worth remembering that the success of comprehensive health care reform puts Republicans on the defensive in ways they don't like to talk about. When GOP members urge Democrats to abandon their commitment to this issue, it's not because Republicans have Democrats' best interest at heart.

The GOP realizes that they are poorly positioned to argue in support of insurance industry excesses and against consumer protections. There is also little upside for Republicans fighting tooth and nail against a package that cuts spending and reduces the deficit. And if given a choice, the GOP would certainly prefer to run against the failure of health care reform than a majority party that delivers on the promise of a historic victory.

Also note, the Republican base has already begun demanding that GOP candidates run on a "repeal" platform — vowing to scrap reform if Republicans claim congressional majorities. This creates the potential for what I call a "repeal trap." Because some of the most popular measures of reform would kick in almost immediately, giving consumers all kinds of new protections.

It puts Republican candidates in a box. Democrats can ask GOP candidates, "Are you really going to fight to repeal protections for Americans with pre-existing conditions?" If Republicans say "no," they alienate the GOP activists who will settle for nothing but a full repeal. If Republicans say "yes," they alienate the mainstream electorate.

But the only way to set the trap is to pass the bill.

V. This is why Democrats exist.

In advance of the midterm elections, there's a spirited debate in Democratic circles about the direction of the party. Reasonable people with good intentions can make compelling arguments about the party's relationship to its base, reaching out to moderates and independents, and keeping the coalitions from 2008 intact going forward.

But comprehensive health care reform exists largely outside that debate, in large part because the issue is at the core of the party's platform, and has been the Democrats' *raison d'être* for decades. It is, to a very real extent, precisely why the party exists.

Democrats' commitment to making comprehensive reform a reality need not be dependent on the result of one special election. Indeed, it can't be — if the party backs off its most important issue, on the eve of a transformative victory, its entire agenda is suspect.

The entrepreneur who wants to start a business but can't because the premiums are unaffordable, the family facing bankruptcy because their insurer dropped them when they needed help most, the small business that can't afford coverage for its employees, the industrious worker whose wages have been stuck while health care costs rise, the single mom waiting tables who can't afford health care and can't buy coverage on the individual market — these Americans need a champion. The Democratic Party has always presented itself as that champion. To come up short now would be to undermine the integrity, the core mission, and the character of what this party really is.

Or put another way, a Democratic House and a Democratic Senate have already passed comprehensive health care reform bills. If they're not willing to fight to finish the job, what on earth will the party fight for?

VI. Time is of the essence.

There's been ample talk in the last week about the possible value in delaying further consideration of the issue. By most measures, this approach has it backwards.

In the short term, there are two overarching reasons not to allow additional delays. First, the debate that began in earnest 10 months ago has run its course, and the public is clearly ready to see Democrats pivot to other issues. Months of negotiations and machinations will only breed additional frustrations — especially when a victory for the ages is one vote away.

Second, giving opponents of reform more time to undermine public support and trash necessary legislation hasn't worked up until now; it's unlikely to be effective while policymakers push the process into the spring (or later).

In the long term, the clock is ticking even louder. If reform fails again — if Democrats fumble at the one-yard line — no one will want to touch this issue again for at least another 20 years. In the meantime, more Americans will lose their insurance; costs will continue to soar; and the dysfunctional system will keep getting worse.

VII. If scare tactics win, Americans lose.

The current health care proposal has much in common with some of the landmark bills of the 20th century, and like its predecessors, it has been subjected to withering attacks, nearly all of them false. But Democratic policymakers have stood firm in the face of professional liars and misinformation campaigns before, and have always been vindicated by history.

In 1935, Republican opponents of Social Security insisted that Roosevelt's "socialistic" plan would, among other things, force all Americans to wear dog tags. Not quite a half-century ago, conservative critics of Medicare seriously argued, in public, that the law would empower bureaucrats to dictate where physicians could practice medicine, and open the door to government control over where all Americans were allowed to live. Around the same time, many opponents of the Civil Rights Act believed the fabric of America was being torn apart by the legislation.

Those who peddle "death panel" and "government takeover" nonsense today are but branches on a large and ridiculous tree.

The question now is whether Democrats will do as their predecessors did — overcome the lies and scare tactics, stick to their principles, and pass their agenda anyway.

Major change is always scary and controversial initially, until it becomes law and Americans realize the fears were unfounded. The cries against Social Security and Medicare look laughable in retrospect, as both programs became bedrocks of American society. There's every reason to believe the same will be true with the current reform proposal.

If Democrats allow scare tactics to prevail now, we can only expect hysteria to become a template response every time anyone tries to address difficult national challenges. All Americans interested in constructive policymaking have a huge stake in preventing this outcome.

VIII. There are competing options — Democrats must choose wisely.

It's understandable that policymakers took a little time to evaluate their choices last week. Nearly all Democrats still want a health care reform bill to pass, but are considering a variety of alternatives.

The loudest voices urging Democrats to quit or aim lower are congressional Republicans. For the majority party to follow their advice is folly.

A "scaled-back" bill would have the unique ability of annoying every possible contingent in the debate. It would help far fewer Americans who desperately need assistance, and who would be far better served by the Senate bill. If given a choice between a watered-down approach and a more ambitious and historic victory, the choice should be easy.

For that matter, consideration of the weaker plan would likely add months to a debate that has dragged on long enough, and probably fail in the face of Republican obstructionism anyway.

Politically, Democrats who vote for two reform bills — one strong, one weak — are not doing themselves any electoral favors, either. The "voted for it before voting against it" ads write themselves, and the support for a scaled-back, less-effective version of reform would further frustrate the party's base in an election year.

Meanwhile, still others are pondering the "piecemeal" approach, breaking reform up into parts. This, of course, has some of the same flaws as the half-measure, but more importantly, it also is burdened by major policy problems. The component parts of reform are interdependent — and fail unless they're working together.

The Senate bill, however, delivers real reform. It's precisely why so many reform proponents have been so vocal in urging lawmakers to complete the deal. Just in the past few days, proponents of reform who have routinely disagreed over policy specifics have all rallied behind the same idea — the House should quickly approve the Senate bill, the Senate should extend assurances to the House about proposed changes, and the White House should provide the leadership that brings the contingents together. Proponents include leading reform advocacy groups like Health Care for America Now, leading labor leaders like the Service Employees International Union's Andy Stern, and a variety of pundits, from progressives like Paul Krugman to centrists like William Galston.

Also note, this approach was touted last week in a joint letter signed by several dozen leading policy experts, including Paul Starr, Theda Skocpol, Judith Feder, and Jacob Hacker, widely credited for crafting the idea of a public option.

IX. Appealing to independents, while meeting Democratic obligations.

There appears to be a fine line for Democrats to walk — satisfying the expectations of Democratic voters who worked so hard to deliver a Democratic majority, while also proving to centrists, independents, and moderate Republicans that Democrats are wise, responsible stewards of government power.

But walking that line may not be as difficult as it seems. House passage of the Senate bill offers Democrats a chance to impress a wide variety of Americans with divergent priorities.

For the Democratic base, the breakthrough would be fairly obvious — policymakers were elected to pass comprehensive reform, and after a century of failed attempts, Democrats can, at long last, get the job done, doing what the party's rank-and-file sent them to Washington to do.

For centrists, independents, and moderate Republicans, the message opportunities are just as compelling. Indeed, it's fairly easy to characterize the Senate bill as a sensible, middle-of-the-road approach to problem-solving.

Independents are worried about fiscal irresponsibility? The Senate bill lowers the deficit and "bends the curve" on health care spending. Independents fear a "government takeover"? The Senate bill features no public option, and includes many measures long-favored by Republicans and policy wonks of both parties. Independents have grown to resent powerful insurance companies that put their profits ahead of patients? The Senate bill forces insurers to accept all comers, regardless of pre-existing conditions; fully covers regular checkups and preventative care; eliminates annual and lifetime caps; and gives folks the ability to go to emergency rooms without prior approval.

After a spirited debate, this is precisely the kind of initiative that has the kind of broad appeal needed to impress Americans across the partisan and ideological spectrum.

X. This is the Democrats' chance to cultivate a stronger reputation and tougher image.

There are widespread doubts about the Democratic Party right now, with familiar questions awaiting answers. What will Democrats really fight for? How committed are they to the change agenda they promised to pursue? Can they get things done? Do they hang tough when the heat is on, or do they back down? Can Democrats *lead* rather than follow?

Voters want to see progress. They want to see the change they voted for. They want proof that policymakers can identify a problem, work on a solution, and then pass legislation. They want some reassurance the political process and leaders in Washington are still capable of doing what they said they'd do. Voters are more impressed with results than excuses.

For Democratic policymakers to work so hard for so long, only to embrace some watered-down alternative — or worse, drop reform altogether — reinforces the worst fears about the party at the worst time. The adjectives aren't hard to guess: weak, incompetent, and ineffective.

Even voters skeptical about the Democratic agenda nevertheless respect strength, follow-through, and policymakers who stand tall when the pressure's on. Bill Clinton advised the party in 2002, "When people feel uncertain, they'd rather have somebody who's strong and wrong than somebody who's weak and right."

A year from now, Democrats may take comfort in knowing that their health care reform bill was a good, effective plan, even after it failed, but "weak and right" on health care will nevertheless be deemed a fiasco, especially when the deal can be sealed by House approval of the Senate bill.

If the 111th Congress can describe this as the time it rescued the United States from a depression and at long last passed health care reform, this will become a legendary term. There will be no doubts about the Democratic majorities' fortitude and resilience in the face of historic challenges. The same is clearly true of President Obama, whose success will help dictate the fortunes of Democratic candidates at every level.

As David Plouffe argued to Democrats yesterday, "[L]et's prove that we have more than just the brains to govern — that we have the guts to govern."

Conclusion

Elected leaders rarely get an opportunity to make a difference on such a grand scale. Indeed, in many ways, Democrats aren't just considering a solution to a chronic national problem, they're facing a test of their character. Democrats can either deliver or break their promise. They can either prove their ability to govern or appear inept. They can either satisfy the expectations of those who elected them or demoralize those who are counting on them. They can either watch the media cover their once-in-a-generation breakthrough or watch the media scrutinize a debacle for the ages.

Democrats, in other words, can either succeed or fail.

Looking back, the effort to reach this open door began last spring, but those with an eye for history know that America was actually carried to this point by giants with names like Roosevelt, Truman, Dingell, and Kennedy. With this once-in-a-generation opportunity, this Congress and this president can honor their legacy, and at long last, finish the task they began.

With a little courage and compassion, this generation of leaders can make comprehensive health care reform a reality, proving to the nation that they are worthy of the public's trust. House approval of the Senate bill — with additional improvements to be made through reconciliation — is the most efficient and effective way to deliver on the promise.

It simply requires one more step through an open door.