

From Groundhog Day to World War Z to
Apocalypse “Not Right” Now:
A Better Path to Sustainable
Health Policy Reform

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Bill Murray

He's having the day of his life...
over and over again.

Groundhog Day

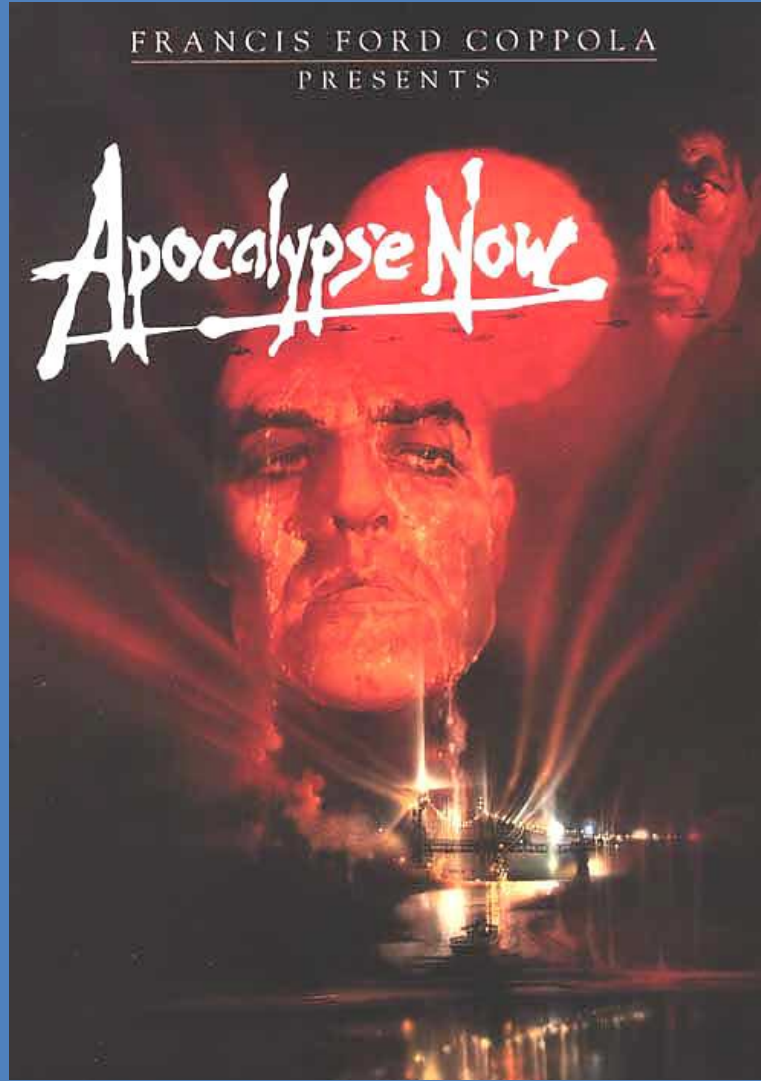


ONE SMALL PICTURE MOVIE
BILL MURRAY STARS WITH PHILIP BRUNS, BILL BURNETT AND KATHARINE
"GROUNDHOG DAY" FILMED IN "GROUNDHOG TOWN" PENNSYLVANIA A PERFECT
TOP DANCEWORKERS JOHN GALLAGHER MUSIC CLARENCE
BY "GROUNDHOG DAY" DAVID KOPPEL AND MARK STRAIN
PG PARENTS STRONGLY CAUTIONED
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FRANCIS FORD COPPOLA
PRESENTS

Apocalypse Now



Where We Are with Obamacare

- Piling up negatives:
 - ✓ Costs
 - ✓ Resistance
 - ✓ Delays, distortions, deals, disguises
 - ✓ Exceptions are the rule?
 - ✓ Get me “rewrite?”
 - ✓ Living off the land

Checking the Vital Signs for Obamacare

- Rocky implementation, failure to launch
- Marketing vs. product development = few sales
- In between campaign seasons, execution is hard
- Politically driven implementation
- Promises meet up with performance accountability
- False pricing, missing footnotes, dropping the masks
- Taking responsibility, but not “the blame”

Obamacare Exchanges: Not Dead Yet

- Claims to be getting better
- Feeling fine
- Thinking about going for a walk

Sales Returns for a Dead Norwegian Blue Parrot?



Neither Repealed Nor Replaced

- Unpopular as ever
- Overturning permanent law is hard
- Whatever doesn't kill me makes me ????

Undead (for Life???)



The Inevitable Was Unavoidable

- Features, not bugs
- Hostile takeovers require stealth and staging
- Worst nightmares:
 - Visible victims, losses before gains
- The visible head pats of top-down paternalism
- Butterfly bandages or butterfly effect?
- Chain reactions & meltdowns

An Evolving Political Landscape

- Debt horrors receding (for now)
- Health spending trajectory
- Playing the expectations game
- Health industry changes
- Regulation-induced innovation vs. work arounds
- Narrow networks, high cost sharing, Medicaid lite
- Flammable firewalls (ERISA, ESI offers)
- A different kind of competition

Sectoral Competition Within the Health Care Industry under ACA



Political Takeaways

- Tarnishing the “bigger government” brand
- Quacking and limping toward next election season
- Cover for “separating equilibria”
(Senate D’s up for re-election)
- Tradeoffs – shutting down govt for two weeks vs. losing promised insurance for a year?
- Blame-shifting tactics
- Public opinion -- still mixed, though negative

Near-Term Opposition Tactics

- Delegitimize -- poor execution, treatment side effects
- Handicap administration, state opt outs
- Highlight unfairness, inconsistencies, contradictions
- Focus on patients, not just business burdens
- Nibble away, choose less appealing hostages
- ✓ Individual mandate, congressional coverage, taxes, privacy, exchanges' scope & powers
- Preserve and expand lifeboats and tunnels
- Assemble countervailing interests

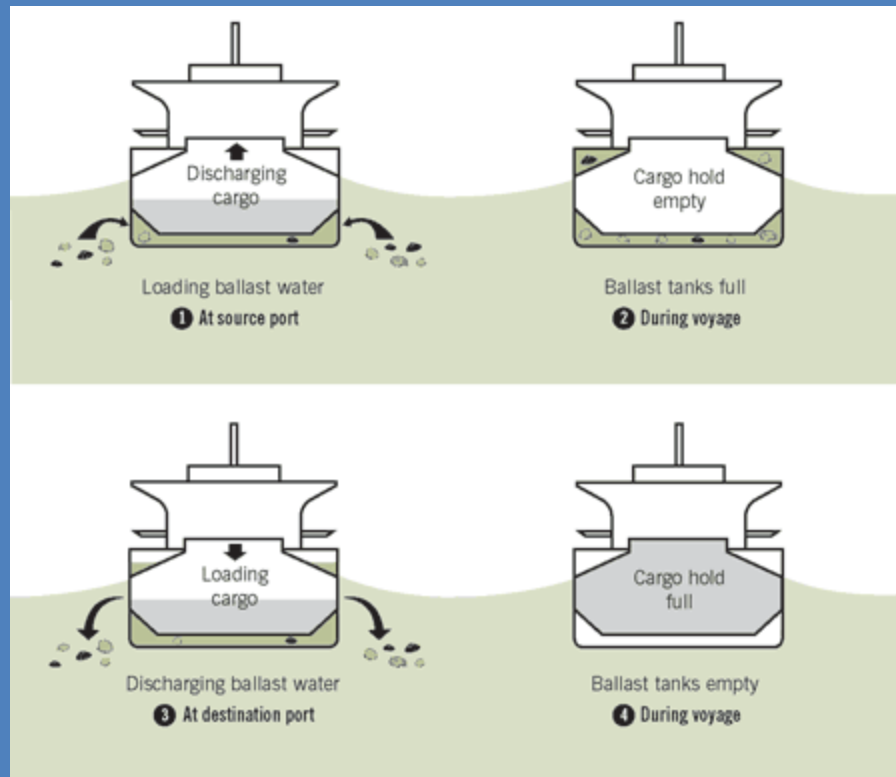
Medium-Term Reassessment: Deregulate, Rollback, Rebalance

- Privatizing political health “markets”
- Scaling back subsidies
- Shooting the wounded ACA provisions
- Delay, then what?
- Moderating state-level resistance
- Elections matter, too

Countervailing Responses

- Short-term grandfathering
- Stretching out open season
- Autoenrollment
- Honor system subsidies
- Expand state exchange beachheads
- Medicaid to the max
- Lighten the load

Restoring Political Ballast



Next Shoes to Drop?

- Court challenges (federal exchange subsidies)
- Provider networks
- SHOP exchanges
- Moderating state-level resistance
- Surge in Amish population?
- Privacy & security of online info

Beware of Obamacare Con Artists?
“You can keep your plan, period.”



Reality Check Lessons

- Rooting for failure
- Just saying no
- Simple fiscal formulas
- One-way Medicaid federalism
- Playing the other Santa Claus



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

Longer-Term: 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

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

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
- Public wants “real problems” fixed, w/o “real solutions”