

Reforming America's Healthcare System:

*A Comprehensive Overview of the
Ongoing Debate and Implications*

with Dr. Benjamin E. Sasse
U.S. Asst Secretary of Health (2007-2009)



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Benjamin E. Sasse, Ph.D.
U.S. Assistant Secretary of Health and Human Services, 2007-2009



Ben Sasse was nominated by President Bush and unanimously confirmed by the Democratic Senate to the fourth-ranking position in the federal government's largest agency. At HHS, Sasse led policy, strategic planning, and research functions across the Department's eleven operating divisions. He focused especially on Medicare, Medicaid, and the Food and Drug Administration.

He teaches public policy at the Lyndon B. Johnson School of Public Affairs at the University of Texas. His research on the politics and economics of American healthcare looks at efforts to modernize payment systems, to migrate from "paying for more" to "paying for better" in ways that will stimulate entrepreneurial innovation from doctors, hospitals, and adjacent industries. Previously, he served as a chief of staff in the U.S. House of Representatives and as the chief of staff of the Office of Legal Policy, the internal think-tank of the U.S. Department of Justice.

Sasse began his career with the Boston Consulting Group and has advised a wide variety of organizations at moments of strategic crisis – working with airlines, utilities, manufacturers, the Department of Homeland Security, the FBI, the Federal Bureau of Prisons, the government of Iraq, and a number of nonprofit and educational institutions. He now advises private equity and other investor clients on health sector strategy.

A Nebraska native, he was educated at Harvard, Oxford, and St. John's before receiving his Ph.D. from Yale, where his dissertation on domestic politics during the Cold War won the Theron Rockwell Field (best dissertation) and the George Washington Egleston (history) Prizes. He writes regularly on health business issues for publications such as the Wall Street Journal and Investors Business Daily.

Discussion Overview

Six Key Questions

- What problem is DC trying to solve?
- Who are the key actors?
- What is their solution?
- What are most contentious issues?
- What has happened since January 20th?
- When and how will this end?

The Problems

- Uninsurance
 - 47 million total
 - c. 70 million at some point each year
 - the transition from manufacturing to a knowledge economy
 - the historical accident of discriminating for large employer insurance and against other forms of insurance pooling
- Quality
 - best specialty care in the world, but huge spreads; no payment for coordination of care
 - who really measures outcomes; who knows?
- Cost explosion
 - for families
 - for firms
 - and the baby boom tsunami

The Players

- The Administration
 - White House economists and policy wonks
 - White House pollsters
 - Dept. of Health & Human Services
- House
 - The Speaker and the three powerful chairmen
 - The Blue Dogs and middle America
- Senate
 - Liberal Democrats
 - Moderate Democrats ******(the center of the world)
 - Republicans

The Proposed Solution

- National Health Exchange
- Insurance Market Reform
 - Guaranteed issue
 - Federal regulation of pricing bands
- Subsidies for the individual and micro-group market well into the middle class
- Product standardization on (and off?) the exchange

Where the Big Fights Erupt

- The employer mandate – and the rate
- The individual mandate
- The public plan
- The generosity of the subsidies
- The generosity of the minimum benefit package
- Whether the accounting will be honest
- The definition of rationing
- ...and, of course, the “pay-for’s”

The Drama to Date

- Three major pieces of legislation
- Five committees of jurisdiction
- The President's initial framework budget
- The “deals” of the major health sector stakeholders
 - Insurers
 - Hospitals
 - Drug manufacturers
 - Doctors
- The intra-Democratic Party battles to date – and to come
- Why Chairman Baucus remains the center of the reform universe
- What August will hold

Going Forward

- Levers that make the bills more or less expensive;
- The “bipartisan or not” moment of truth
- October 15th and the Democrats’ budget reconciliation option (that could allow passage of a bill with only 51 instead of 60 votes)
- Expected implementation timeline (if major insurance reform passes)
- A bit of speculation on outcome scenarios
 - including the Medicaid expansion possibilities
- A final note on public opinion and the IMAC – so-called “MedPAC on steroids”

Questions?

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