Programme OPERA – ENTRETIENS

Entretien – santé n°23

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Interviewer: Can you describe your job now and how you arrived here?

Responder: I am a 27 years veteran in health care and aging policy. During my career, I played three major roles.
I spent 10 years in the Senate and worked for 3 senators. During this time, I was deputy staff director of the Special committee on aging. This committee did oversight and investigation on aging issues, on every issues that affected the elderly. In the same time, when I worked for Senator Pryor, I was his staff person in the Senate finance committee.
In the Special committee on aging, we were developing policy on aging issues, and then in the Senate Finance, we made legislation and tried to make these policy laws.
At that moment, I began to work for the Pepper Commission and that's when I became known in the Health care community.
This was an opportunity for me, not only to talk to Members, but also to develop long standing relations with various actors involved in health care policy; with outside entities, like interest groups, with foundations, with think tanks like Kaiser Family Foundation, the RWG foundation, the commonwealth found, the Brookings institution. I also develop relations with the White House people.
That's brings me to my "second world": I became Hillary Clinton's congressional liaison during the Health care debate in 1993-94. At that moment, I was not really a policy person, I was more like a liaison person, between the White House and the Congress. I had cloth relations with Members of Congress as well as with the external world.
Before this tough I was hired in the Clinton's transition team, and have been involved in their campaign. But I became really visible during the Health care debate.
Then I became the senior Health advisor of President Clinton. I was responsible for all policy for the President for 6 years. I was in charge also to manage the Domestic policy council and the Council of Economic advisor in every issues related to health care. I was also responsible for managing their relations and the work of the Office of Management and budget, the Department of Health and Human services, the Internal revenue services. It was many hours of work. I also managed the relationships of the White House with advocacy groups, consumer groups.
After the President left office, I work on Al Gore's campaign, but when George Bush was elected in 2001, I lost my job and decided to create my own office. This was my "third word". I wanted to create a consulting group that had the capability of doing strategic analysis and

policy review with external groups that were out of the Bush administration. You know, During the Bush administration, they favored all this high income interests, insurance interests. So I wanted to create something able to represent groups that were out of this circle, like providers willing to improve the delivery system, consumer groups, public purchasers. I this capacity, I have represented a variety of groups, willing to increase investments in high quality and a better delivery system.
So I am working on this niche for 8 years, and in this capacity, I became visible in Congress.
I also work with a lot of non-profit organizations, and think tank like KFF, the RGW foundation. And I am known for it in DC.
I see myself as a policy wonk, a political person able to translate the idea developed by the policy analysts to policy makers. You know, very few people are able to do this translation, often, these two worlds are independent from each other and don't communicate well. So if you ask me who am I, the best answer I can give is I am a translator.
People pay me sometimes to do that, but sometimes they don't, honestly, I don't care. What I care about is improving the health care delivery system. And working on this improvement is often frustrating, hard, painful, you can't make as much progress as you wish to.
So my third life is a consultant. But I really care about staying aligned with the positions I supported before. I refuse to support different positions just because some group pays me for. I think I would not be credible if I take now positions different from the one I fought for before.
I am really unusual as a consultant. What I am now and what I do is really the result of all of my experience in government. I help people navigate into this complex policy system. I give them advice about the political process, and analysis about about policy, what they can expect and how to frame their strategy to make it able to be enacted.

I: Can you describe your role and your activities when you worked for President Clinton's?

R: I actually had a dual role. In 1993, I was formally staffed and paid by the department of HHS. I was the Senior health advisor of the HCFA administrator Bruce Vladeck. This man was really brilliant, smart, skilled. He was a real expert on Medicare and Medicaid. But the reality was that I was working for the White House.
At the same time indeed, I was working on the Hill as a congressional liaison. So even if I was formally a HHS employee, my job was really in the White House. I even didn't had an office in the HHS. My office was in the executive office of the President. I was really working for Hillary Clinton.
In this capacity, I prepared her for hundreds of meetings with members of Congress. I helped her understand the logic of Congress, the different priorities and the various concerns of every Members. At that period, we met 2 or 3 hours everyday, and I became very cloth to her. I used to work with her for years and years.
Even in 2008, I work with her on her campaign. I was a Senior advisor on her campaign, I worked on the Democratic platform committee, which is a place that put together what the democratic party stands for.
When I worked for her during the Health care Debate, back to the 1990s, I went with her to the Hill, I was walking around, helping setting meetings with the White House. It was a very intense time.
At the conclusion of the Health care debate, there were a lot of staff working on health care, so there was a huge downsizing as the White House was moving on another issue. However, you know, Health care spending is such a big part of the budget that it was always around.

At that moment, I became the coordinator of the President's health care policy, this was a more tradition role and function. The First lady's was not so visible then. Having the fisrt lady driving the reform effort in 1993 was really unusual, and dangerous. So after the health care debate, we went back to a more tradition organization of work.
You know that there are several office in the White House right? You have the President's office, the Vice President's, the first lady's , and then you have the Chief of staff, who is responsible for managing the various offices of the White House: the national economic council, the Domestic policy council, the Office of legislative affairs, the communication office, the press office. But really, the NEC and the DPC are where the policy is made. So my role after the Health care debate was Health care policy coordinator. This is really cloth to what Nancy Ann De Parle does today: to coordinate the debate and the discussions about health care for President Obama.
In this capacity I was involved with every part of the administration: the Office of Management and Budget, the Department of HHS, the Secretary was Donna Shalala at that time, and all its subparts: the CMS, the NIH, the CDC, the HAD. I was also involved with other departments that were involved in health somehow: the treasury department, the Labor department, the office of personal management. I work really cloth to all of them. My work was to coordinate all of that, for the President.

My day-to-day activity was to develop policy, especially linked to the Budget process. So I worked really closely to the OMB. I was also meeting with Congress, with members who wanted their own priorities included in the President' budget. Also I met with outside groups, advocating for executive orders, trying to push legislation.
I had a lot of interactions at that time: I was meeting expertise people, with the Think tanks, who were presenting their analysis, their polls.
And I made that for 6 years. This is longer than anybody can do I think afterwards, and I worked until the very last day of Clinton's Presidency.
When I left the White House, I could have done a lot of things, I could have gone to the Hill, I could have worked for a foundation, but I had an interest in creating my own consulting group. And Since I had worked successfully in the administration, I had the opportunity to develop good relationship with the health care people for 14 years, and people were willing to support me. People were willing to hire me: Some foundations supported me, as well as the California retirement system, the AARP, the AFL CIO, General motors, for instance… They were thinking that I might help them.
And now, I am more a consultant that a lobbyist. I do some lobbyism though, for things I believe in, but my very first role is as I mentioned previously a translation role. I bring people together.

I: You were really involved in the BBA of 1997, which created the SCHIP program. Would you agree to describe your role and the policy process?

R: Well, before that, you must keep in mind the context during which this Law has been voted: it was a context of years of fights over health care, but also, since 1994, between the Democratic White House and the Republican Congress. The republicans in Congress didn't help us during the Health care debate. They basically developed their own program of reform. They wanted to dismantle Medicare and Medicaid, they were supporting a very conservatist agenda.
We had a first version of the BBA in 1996, and there were a mass of disagreements. You know, they closed down the government then… They were not friendly at all.

But you know, after years of fight over Health care, from 1993 to 1996, the public were really frustrated and both parts were tired of fighting.
The republicans thought that it would be prejudicial for them to fail getting any achievement in this sector. Actually, at one point, both democrats and republicans thought that it was in their strategic interest to work together. Their need of achievement was a common ground. And if you look at the legislation enacted around 1996, you will see major achievements like the welfare reform. It would have never happened previously. But it helped both sides to set the stage for the 1997 election.
Also after years of debate, there was more pressure to lower the deficit. The democrats and the republicans weren't able to agree on a balanced budget act before. But in 1997, after both parties were reelected, they really worked on it.
The 1996 achievement rewarded both of them. And in 1997, after Clinton wan the election he could push his agenda.
And he push very aggressively. He wanted to enact some social policy and the republicans couldn't just say no. If they wanted to enact a balanced budget act, they had to compromise.
Bill Clinton was very attached to children health care. There were some senators on the Hill, like Kennedy and Hatch who had interest also in enacting a health care program for children. So the White House negotiated this program as a part of the Balanced budget act. They said that they threatened to veto the whole package if no children program was in it. The republicans didn't want this, but they kind of needed it. And the President needed SCHIP to gather democrats. So they compromise in the budget package.
You know, health is not a republican priority, they think that health must be individually managed and private.
But there were some negotiations over the SCHIP program and the policy details: does it have to be part of the Medicare program?
There were different policy models as well, different issues that were negotiated with the republicans: a caped program, with more flexibility to the States. The democrats wanted it to have more money, to have higher reimbursement rates.
And since SCHP reimbursed more than Medicare, the providers liked it, as well as the Public.
It was entirely tobacco tax paid, and this made sense, it was a logical source of revenue.
This arguments explain how this went through the republican opposition.

I: What was the role of the White House in setting the concrete provision of this bill?

R: You know this sentence: the president proposes and the Congress disposes? So the Committees in Congress wrote the bill, mostly the Finance committee, the Help committee and the Energy and Commerce committee. But it was mostly the Finance Committee and the Help committee. They drafted different versions of the bill, different proposals.
The President got a very important role in gathering support for this policy to the Public.
In the legislative process, the White House became really involved during the conference committee. The republican leadership didn't want it, but the White House really pulled it into discussion, saying what should be the program and the amount of money they should spend on it. Also, the White House was drafting legislation behind the scenes. The people who were really involved were Bowles, who was the Co-chair of the deficit reduction commission, the OMB people, Rayne and Lew, Gene Sparline. They really negotiated with Newt Gingrich and the budget Committees chairman. I was personally brought into the negotiations whenever health care was put into the table. My experts in the White House and in the HHS participated

to the negotiations as well and finalized the legislative language. The white House was really involved.
But you know, SCHIP was a part of this big package, the republicans would never have agreed for this program if we did it in one own bill. We would have lost in this case. It was able to pass because it was a part of the package.

I: How would you explain that the HCR passed Congress in 2010 and not in 1990?

R: I personally was not involved as much as for the Clinton's Health care debate. But I think there are numerous reasons for the failure of the plan in 1994. And one important is that when a presidential policy program is exposed upfront, this is dangerous. Whenever you expose the details of a legislation, you expose it to criticisms. The Clinton's plan details were exposed way to early.
Plus the members of Congress never really invested this issue, they never drafted the bill, they were not involved enough.
But I guess history is always written by the winners. So there is a lot of reasons why this bill passed this time. One was that the President was really to visible. However a lot of Members of Congress asked the President to be involved in the legislation. And with the CBO scoring the bill, in the White House, we had the feeling that if our proposal was not detailed enough, the scoring would have taken much more time.
Plus there is the fact that the President, in the fall of 1993 postponed the debate and spend a lot of political capital on other issues like NAFTA, like the crime bill. And frequently, when a first term president comes into office, his appetite for legislation is much higher than the Congress appetite. And at the end of the day, the environment was not friendly enough to succeed. So the lessons we learned were that such a reform needed a strong investment of Congress. It needed to be supported by influent members.
You know, back to 1993, the Chair of the Finance Committee, Patrick Moynihan hated the bill and hated the Clinton's. He didn't want it. This time, this was the complete opposite, with Senator Baucus supporting the bill.
Also, in the House, the Chair of the Ways and Means Committee, Dan Rostenkowski was under investigation for mail fraud, he was weakened.
The last piece, what made the bill impossible to pass by all means was that the stakeholders – that's how you call them if you like them, otherwise you call them private interests – wanted their own Health Care reform, or nothing. The do-nothing option was their second best choice. This time, everybody was convinced that the status-quo was worse than any reform. This is really important because it increased the receptivity for reform.

I: Were you involved in the Obama reform? Did you help?

R: You know, every victory has thousands of parents, every one claims to be responsible for it. But I did participate, but from the outside, I was a proponent of the HCR and I contributed to the environment that made it possible, that made people think that it was possible. In 2008-2009 I made speeches, writings, trying to explain why, this time it is possible. You can read one of my writings on the Internet, it is called "9 reasons…". I also explained to each sector stakeholders why it was in their best interest to support the reform. It was really hard, but at the end of the day, people from the White House, from the House of representatives believed that it was possible.

My second role is linked to what I was telling you previously: I am cloth to everybody who worked on the reform, so I provided them outside counsels to help them navigate into the political process. I talked a lot to Rahm Emmanuel, Nancy Ann De Parle, Jane Lambrew who was Sebelius right hand. I had worked with her for 6 years. I've also known Kathryn Sebelius for many years.
I also talked a lot to the Democrats in Congress, I provided them with advice, they see me as a pragmatic, providing realistic advice. I was playing a off the line role and I hope I've been helpful. I worked a lot with Congress actually, because my former people work now on the Hill or in the White House, so they trust me, they know that I have been in their seats. I also talked to the people of the Congress leadership. I help them sell the victory of the reform, because, you know, you can't sell failure, so I help gathering the support for the reform.
Another role that I was playing was to talk with the various stakeholders, to help them influence the debate. I worked with the AARP, the labor, the Hospital networks. I tried to make them see larger goods and accept sacrifices to reach it.
I also talk to think thanks, to the Robert Johnson foundation for instance, they were working on quality issues, and I talked to them to help them take part of the reform.
Finally, a last role that I can mention is my work in the "*bipartisan policy center for health reform*", I was the co-chief of staff with Mark McClellan, who is a republican, the former administrator of the CMS, and we developed a bipartisan proposal in june 2009, sponsored by Senator Mitchell, Baker, Dole and Daschle, all of them are former majority leaders of the Senate. It was a bipartisan effort, our goal was mostly to show to people that a bipartisan agreement on Health care reform was possible.
And indeed, you can track, the Senate finance committee version is quite clothe to the version we developed. Our goal was to provide more confidence to moderate democrats in the Senate in developing a conservative enough version, that could provide them cover toward their constituencies.
You know, the republicans at one point refused to work with the democrats on the reform. They were very clear: they were going to punish any republican member who would support the bill. So the Moderates were concerned because the bill would have no bipartisan support. So the bipartisan policy center contributed to this cover.
We wrote a detailed policy version, the timing was right, and some other people wrote the legislative language of the proposal that was in Congress. It was a fairly centrist, balanced approach…
The version that was passed into law was also fairly similar.
But you know what… it is worth noting that another version that was very similar to the reform enacted was the version that Hillary Clinton developed during the primary with Barack Obama. At that moment, the debate was about developing an individual requirement. Obama was not in favor, but Hillary was. If you look at the proposal that Hillary developed during her campaign in 2008, it was by many aspects similar to the final bill, much more than Obama proposal.
Hillary learned a lot in 1994, she unveiled in 2008, and at the end of the day her experience prevailed, both strategic and substantial. I think she should have much more credit for the victory of the reform than the history will remember.
She played a quiet role, she was kind of a consultant for the President. She knows that she couldn't take public positions, because otherwise politicians would have abused of her and labeled the reform "Hilllary care". They would have demonize her. So the Clinton's kept low profile, but I can tell you, nobody was more happy than her when the reform was enacted.

But you know, the story is not over. The next interesting story would be the legacy of reform, whether the government succeed or fail to implement it, whether the reform is sustainable. This will be the result of very hard work, it is definitively a multi year project.

I: What idea were you supporting during the reform? Did your ideas about what a good reform or a good public policy evolved during your career?

R: You know, my first objective was to get something enacted; otherwise nothing is relevant. Because I used to work for so many years in the system, I am really a pragmatist. If you are an ideologue, you will be either disappointed or you will failed.
Secondly, my objective was that the core policy enacted was workable. We had to start with a viable, strong policy proposal.
I used to explain health care reform as a metaphor of a chair… health care reform has for legs, like a Chair.
The first leg of the Chair is to make an insurance reform, that make sure that everyone could access to care, that discrimination practices like discrimination for preexisting conditions would be stopped. I think this is good to start on that discussion. This is consensual, everyone agrees that we had to stop these practices.
Then, once you get this, the second leg of the Chair is the need to ensure that everybody is in the system, that means an individual requirement, to make sure that everybody has an insurance, by one way or the other. Obama was wrong during his campaign, because he think this condition was not necessary.
The third leg of the Chair is to make sure that private insurance are affordable. You can do that by different means, either tax credit of direct financing, otherwise the individual requirement makes no sense.
The fourth and last leg of the chair is a reform of the financing system itself. Cost are exploding, so you have to enact some cost control mechanisms, you have to enact value purchasing, or some financing requirement, to make sure that health care system is sustainable over time.
In this respect, the bipartisan policy center supported the tax exclusion on employers health care plans, eliminate the cap…
Those four components are the policy foundations for a good reform. I really don't care about the details of each of them, I am flexible. This made the ground for the political debate, but we couldn't compromise on this four elements.

Another lesson I learned during my career was that we are in politics, we are not in an academic environment, so to enact a reform, you have to make trade offs, you have to compromise on things you don't like. In the reform, some provisions are ugly, I think also some of them are really stupid, are bad policy… But at least we did it, and we can reform the reform.
I think Obama was wrong in his speeches, when he said that he would be the last President to reform Health care. We will have to reform the system again in the future.
But for now, the first step us to implement the Law, to get it passed right. Otherwise it will be repealed.

I: What would be the second step?

R: Well, there are two big issues the first one is the reform of the delivery system. We have to change of the federal money reward them or punish them in case of abuse. We have to institutionalize a concrete control of the providers behavior.
The second big issue is long term care. This is a big challenge, the baby boom generation is retiring or will be retiring soon. Now, the first generation of the Baby boom is retiring, the people who are born in 1945 are now 65. So there will be a huge retirement issue and a huge challenge for Medicare soon. If we don't do anything, this is going to kill us. We will have also to address soon the problem of the long term care, also for people under 65.

I: The Class act that was a provision of the Law addresses this issue?

R: Yes, but this is mostly an experiment for now. When the public option was killedn we thought that we had to address this issue by offering something for people in there 1960s. The experiment will show if such a measure is financially sustainable. We are currently waiting for the diverse actuaries. This will provide a sense if whether this is financially underfunded, whether we will have to subsidize it.
I am actually in the middle of a group of people who worked on this measure and on its implementation.
I think this is an important way to reform it.

I: Would you have suggestions about people we could meet with?

R: You should see Chip Kahn, he worked for the House and for the Senate for a long time and he's very fun. He is a republican, but like me, he's a pragmatist. I guess a lot of democrat are busy right now with implementation…
But, you can see Diane Rowland at KFF or her boss Drew Altman. You should also see Gary Claxton and Larry Lewitt, they will have an interesting perspective on both the outside and the inside. Gary Claxton is more technical than political, he worked on implementation issues at the DHHS. Also you should see Mark McClellan, he worked for President Bush, but he's hard to reach. In the Brookings, you should see Aaron or Karen Davis.
In Congress, I would recommend to see Bill Gradison, he used to work at the Ways and Means Committee, he's a moderate. He was actually Chip Kahn's boss.
You should also see Billy Tauzin, but he just get fired from Phrama, actually this is pretty usual because everybody get fired from Phrama… He's a republican also.
On the Hill also, you should talk to Cybele Bjorklund, she's really nice.