Programme OPERA – ENTRETIENS

Entretien – santé n°33

Pour citer cet entretien : Lepont, Ulrike, Entretien santé n°33, Programme OPERA (*Operationalizing Programmatic Elite Research in America*), dirigé par W. Genieys (ANR-08-BLAN-0032) (*insérer hyperlien*).

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What was your PhD about and when did you become interested in health policies?

I wrote my dissertation on the impact on welfare policy on immigration: the question to know whether the poor from the South moved to the North to get more generous benefit. At that time, I studied also the Medicaid program, as part of the benefits. But then I focused more on how the federal budget works and did a modest amount of health research related to the budget issue. Than I was director of the OMB under Clinton and I got deeply involved in health care. At that point, I became member of many commissions on health policy.

Why did you choose to come to Brookings?

I was teaching urban economics at Columbia and Brookings had decided to start a program on urban issues. I have choices: I could stay at Columbia, going to Rand or Brookings. I remember we were in New York and my wife flipped the coin to choose Rand or Brookings. It was Brookings and we came to Washington. It was very accidental.

How would you describe this institution at this time?

It was very different from what it is now. It was smaller, more intimate, there were more interaction among people. Policy analysis was also simpler, less competitive, less ideological.

Would you say that policy analysis now is more technical?

Yes it is more technical, there is no question about that. It is more technical because of data and computing capacities. But back then, people had maybe to use their brain more, and to integrate economic, sociological, political approaches. Now everything is very specialized and separated.

Who did you work with at this time?

Alice Rivlin, (Joe Patman), (). In other areas, Henry Aaron, ().

Do you think that being at Brookings helped you to get your first position in the CBO?

Yes because Alice Rivlin was the chief of CBO! One day, she had asked me: If I head the CBO, would you like to work with me? I said yes but then I totally forgot this conversation. Later I received a call at midnight at home and it was her! So I started and I was really the first employee at CBO.

Did you have specific ideas that you wanted to see achieved at this time?

No. Our goal was really to provide neutral forecasts. I don't think anybody in CBO had other intentions.

What did you learn form this experience?

How to get along with 2 sleep hours per night… I think I got a better appreciation of how the political world works and make decisions. And I also got a little bit on the thousands of the governmental programs that we worked on.

Over your career, did you have direct contacts with policy-makers?

A lot! All the time! Of course, when you are in CBO, you are always speaking with them and you get to know them.

Was it already the case in Brookings or only when you came to CBO?

A little bit in Brookings but much more then in CBO. I started testifying, writing…
Is testifying and writing important to be known…?

It gives you credibility. But if the question is whether when I testified they listen to me, the answer is no!

What are the important journals?

(There are very technical health policy journals but they are not read. In the policy debate, the important journal is *Health Affairs*.)

When you were not in CBO, how did you keep in touch with the policy-makers?

I had a big enough reputation and they called me on. Policymakers and medias. I am called by reporters from the NYT, Washington Post, Wall Street Journal, and so on. I am on their list.

You worked a lot both at Brookings and Urban Institute. In your opinion, what are the main differences?

Brookings has a lot of money. The model is mostly one single senior scholar on one topic with one assistant. Here we have team of several scholars – usually around ten - on one topic. And they have almost no governmental contracts. Here 60% of our funding comes from governmental contracts.

How do you explain that Brooking has so much money?

(There were almost the first and they got funding when it was easy to get. And they are more academic and it's easier to convince people to give money than for very technical subjects like here.)

Here, as president of the Urban Institute, what is your job? What do you do? Or try to do?

We are a lot of different department with a lot of funding so part of my job is to oversee them and improve communication between them. It is also raising money, hiring good staff, and motivating staff.

Now we could go back to your special interest in health policy. Why did you become so interested under Clinton?

I think health is a combination of everything: economics, politics, religion… It is both very technical and very ideological, and there is no easy answer. Under Clinton, I had to be interested! Health was the President's top priority so I had to work on it a lot. It was my situation. It was very interesting because it was a challenge to build a modelisation of microeconomics and policy to produce an evaluation of Clinton health reform. It was the most comprehensive bill that had never existed. ()

Even as compared to ACA?

(The problem with ACA is whether it is sustainable. I am suspicious. I would give 50/50 chances to be enacted. All the exchanges, it is very complicated.)

And the question of cost-containment?

(There is nothing in there. But who knows? There are a lot of things going on. Medicare costs slowed down this year at a rate that nobody could expected. Actually, with the crisis, I would have expected the contrary.)

What kind of things are going on?

(There is more conscientiousness among providers on the question of cost. For instance there was conference on the choice of treatment and there was the example of hips. There are 7 different types of hips prostheses and hospitals wanted to choose only the two more efficient. It would never have happened some years ago. Hospitals and providers would have argue that they want to keep the choice. But I don't know, it may reverse very soon.
I would like everything excepting what we have now, this mess: single payer, anything, but not that! But our political system is very limiting the possibilities.)

If there was no political constraints, what would be to you the best solution?

(Competing integrated organizations, like Alan Enthoven's plan. Tax in a sensitive… ; you need incentives to lower rate.)

What about the single payer system?

It is my second choice. The problem with the single payer system is that you don't get the reform in the delivery system, it is still a fee-for-service system, so it is not the solution for cost containment. European countries also have the problems of costs.

In the 1990s, you designed with Henry Aaron a plan to reform Medicare…

Oh yes, Premium Supports. But Henry doesn't believe in it anymore.

And you?

Oh yes. Actually it is based on the ideas that I described like my best choice.
Medicare advantages – from the current system, whether
There is a fee-for-service plan available. If it is more expensive than the risk-adjustment plan, you can keep it but you pay the difference.
But it is very different from what Paul Ryan did. I would never have signed his plan!
What did you do during the Obama reform?
I was consulted on the Hill and in the administration. But I was not the confident adviser.

Would you say that the White House was less open than the Congress?

Congress has less capability. It is more porous and open.
Which committee did you work with most?

Finance and W&M. But there are people who were much closer than I was. I had my job here! I wasn't always there.

What do you like in the ACA?

Of course that many more people will be covered. I also like the degree of susidies. I like the fact that resources are going to IT and that it is starting the dialogue with cost-effectiveness research, ACOs, this kind of stuff. I think that it is still far too timid in the experimentations. I would have impose penalties for readmission. How it is in France, is there penalties for readmission?

No. I am pretty sure no.

There are countries where they don't pay the care after readmission. I wouldn't be so excessive but I would be for penalties. I don't say that it is the solution for health care in general; but the problem in general is that we don't provide incentives for providers!

Would you say that your views evolved? And how?

No, I am a dogmatic, my views never changed! Yes of course! For instance when I left MedPac, I read some papers I had written at the beginning when I arrived at the commission, and I realized it was very immature! So I think I became more humble. I realized that it was much more complex.

What are the implications to become more humble?

(I became more cautious. I got a better understanding of policy and politics. I understood the importance of industry.)

Who are the other health policy experts that you feel closest to, from an intellectual point of view?

Uwe Reinhardt, Mark Chernew, Joseph Newhouse, David Cutler, David Glodman, Johnathan Gruber.

How would you characterize the influence of experts on health policy?

It has been huge. The staff on the Hill and people in administration, it's the same group of people. For instance, Sherry Glied, she goes from academia.
I think both Altman, Drew Altman and Stuart Altman had a big influence on policy. Karen Davis too.
This kind of people between expertise, government, academia.

What about the career civil servants?

There are certainly some but when you say career civil servant it's really the people who spend their career in the government. Yes, (Rick Fester, the chief actuary at CMS, is very influential but it is because of his position, not of his ideas. It is not like the British system where expect the secretary almost all in the department are career civil servant. For instance Gary Claxton, from academia, government, foundation…

It there of specific influence of economists?

Yes, you chose the wrong discipline! Most have been trained in economics. They play very different roles (ground level).

What's the implication?

We don't focus so much on political acceptability. A lot of us has an academic background and we first focus on designing something that could work and then look at the political constraints.