

Navigational Warning  
for Health Reform Collisions Ahead:  
Slow Down, Shift Gears, Turn the Wheel

Tom Miller

American Enterprise Institute

May 24, 2011

18<sup>th</sup> Princeton Conference

# Repent!



# My Role Today





# DEFENDING THE CAVEMAN<sup>®</sup>

Broadway's Smash Comedy About Men & Women

WRITTEN BY ROB BECKER

# Answering the Questions

Effect of 2010 elections: Siege, hunker down w/perm authority & regulation, warning shots, defuse headaches

How different in 10 years? Wait till 2012, bankruptcy proceedings, unicorn sightings

Supreme Court? Puncher's chance, burden of precedent & judicial constraint, finding the outer limits

Design different but still near-universal? Yes, No (different definitions)

Are coverage goals appropriate? Depends on proportionate priorities

# The Opposition/Alternative Case (Disclaimers)

- Pols, voters, wonks, weasels
- Everybody doesn't like something
- Looking for what's behind door # 3
- Conflicts, contradictions, continuum
- Not your father's GOP

# Individual Mandate (RINOs once roamed freely)



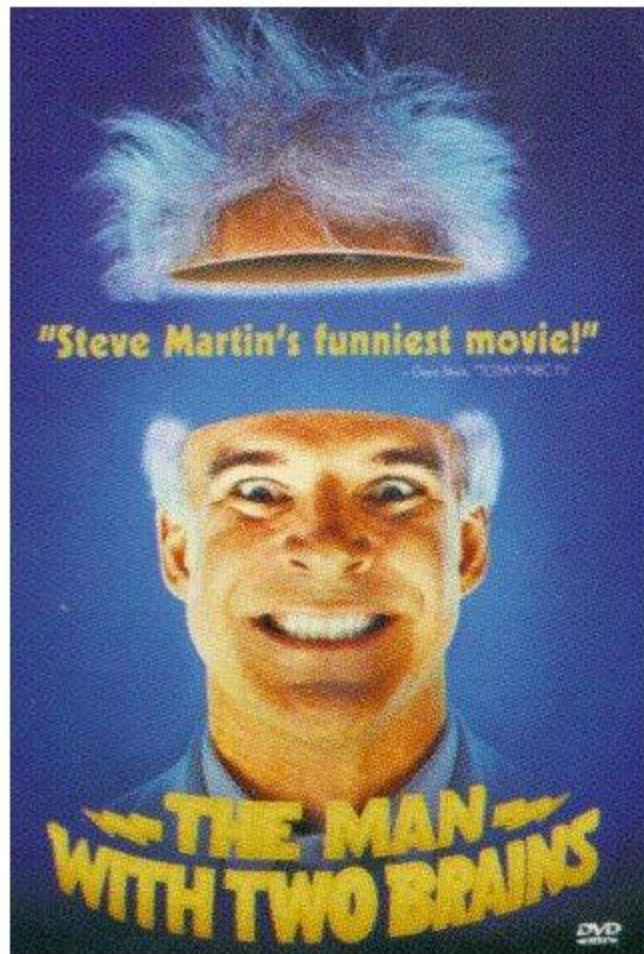
# Republicans vs. Democrats





# The Basic Objections to ACA

- Economic, budgetary, destabilizing, administrative, federalist, constitutional
- Role of govt, slippery slope, political economy
- Who chooses? Who decides?
- Broader policy priorities



# 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; public vs. private \$\$
- Alarm over debt, deficits, unchecked govt growth



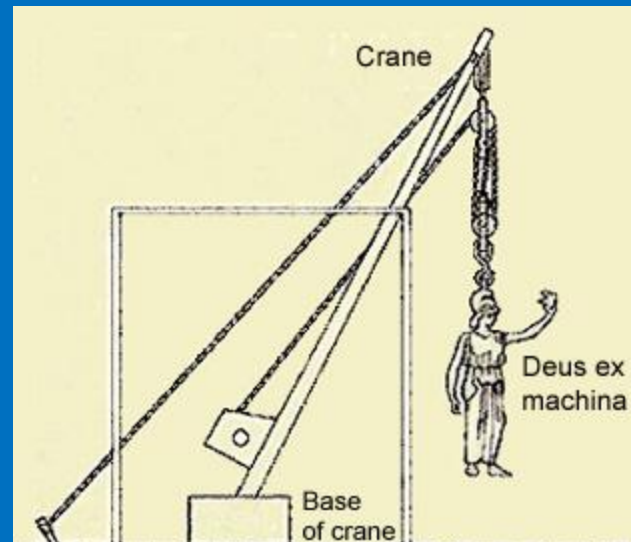
# Alternative Medicine

- Defined contribution (limits, adjustments)
- Competition in state insurance regulation
- Mainstream more public to private
- Solve value first, to expand coverage later
- Continuous coverage incentives
- Safety net (HRPs, retargeted Medicaid)
- More targeted, more progressive subsidies
- Delegate allocation limits to private agents
- Choice, competition, decentralized trial & error

# Constraints, Inconsistencies, Blind Spots, Attention Deficits

- Situational, results-based federalism
- The two Santa Claus theory of fiscal policy
- Individual mkt vs. ESI
- Overinvesting (med mal savings, )
- Tackling delivery system reform w/o nostalgia
- Provider performance measurement beyond prices
- Beyond health insurance & rational actor incentives
- Dueling deus ex machina policy reforms

# IPAB vs. Market Innovation



What's Next?



# “Yes, We Can” Implementation?



# Finding A New Body to Bring Life to Health Reform

Frederick: What a filthy job!

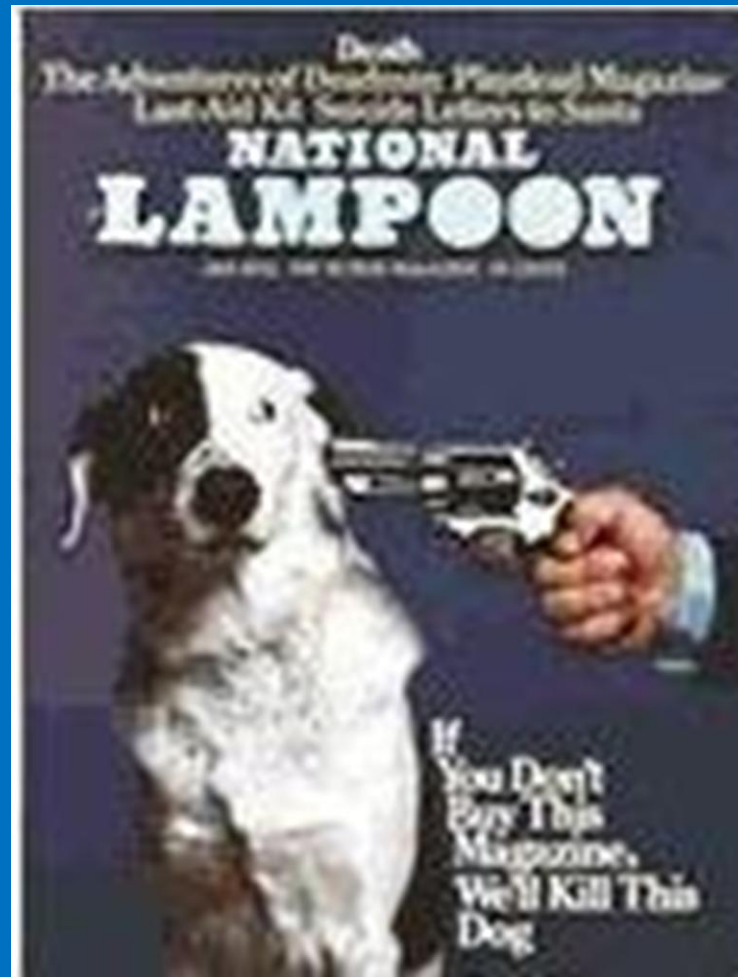
Igor: Could be worse.

Frederick: How?

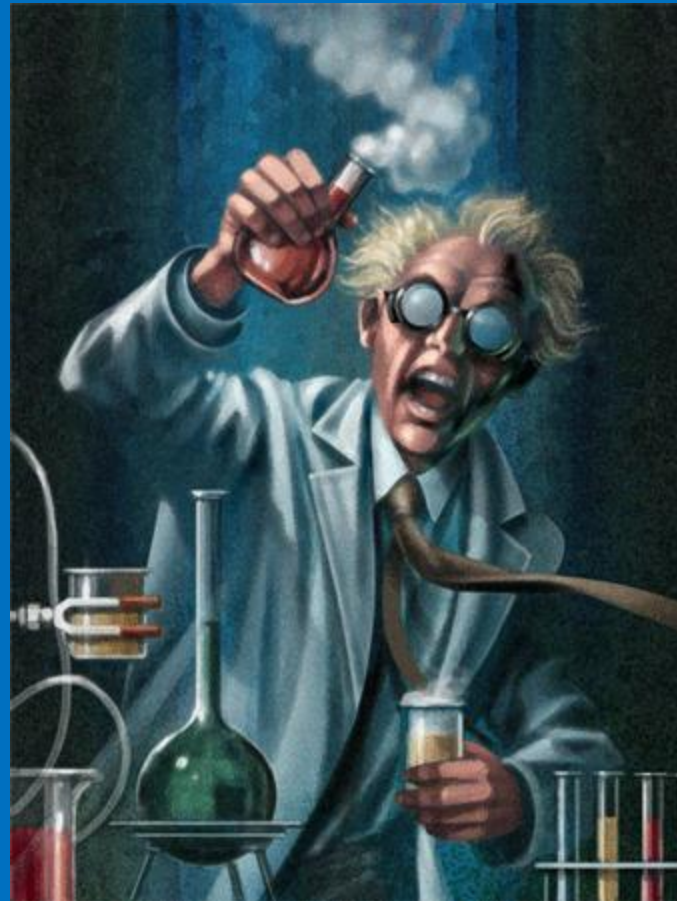
Frederick: Could be raining.

*(sound of rain)*

# Health Policy Debates: The Search for Bipartisan Compromise



# State Laboratories of Democracy?



FOREWORD BY REPRESENTATIVE PAUL RYAN, MEMBER OF CONGRESS

# WHY OBAMACARE IS WRONG FOR AMERICA

HOW THE NEW HEALTH CARE LAW DRIVES UP COSTS,  
PUTS GOVERNMENT IN CHARGE OF YOUR DECISIONS,  
AND THREATENS YOUR CONSTITUTIONAL RIGHTS

GRACE-MARIE TURNER · JAMES C. CAPRETTA  
THOMAS P. MILLER · ROBERT E. MOFFIT

# What Should We Do with this Magnificent Construction Project?





# It's Not the End of the World (Yet)

