



Healthcare reform can't succeed because we still want to keep the plans we like

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The greatest flaw in the Affordable Care Act is not structural, but cultural. In selling the law, President Obama made an unkeepable promise that we could keep the plans we like. When insurers began to cancel policies—in compliance with the government's mandates—the Administration continued to assure the public that Obamacare could expand coverage without inflicting any costs on the insured. This was a fantasy. Until the administration frankly addresses the cost of covering the poor and uninsured, we are stuck with the same Obamacare *paradox* we started with: The American people are not interested in sacrificing their own coverage so that others will benefit. Because there was never true buy-in for healthcare reform, the law cannot accomplish its transformational goals

Before the Affordable Care Act was enacted, Americans with insurance liked their plans. From 2001 and 2008, Gallup annually surveyed the insured on how they would rate the quality of their personal health care. Consistently, year after year, more than 80% of respondents rated it as good or excellent. A February 2007 poll by CBS News found that 85% of people were satisfied with the quality of their own health insurance. A September 2009 Quinnipiac University poll found that 88% of respondents were satisfied with their coverage. As I discuss in my new book, *Unraveled: Obamacare, Religious Liberty, and Executive Power*, people who had insurance overwhelmingly liked it.

Yet, despite the fact that Americans were happy with their own coverage, they also recognized that the health care system did not serve everyone equally. For example, 59% of the respondents in the CBS survey were very dissatisfied with the cost of insurance for the country *as a whole*. Further, 90% said the U.S. health care system needed fundamental change. The CBS pollsters observed a contradiction: "Americans think the U.S. health care system needs major fixing, though they are generally satisfied with the quality (but not the cost) of their own health care." During the July 2008 NetRoots Nation Conference, future Vox-founder Ezra Klein referred to this tension as a "paradox." Roughly the same percentage of the insured wanted to keep their own coverage, but simultaneously improve everyone else's care. You can't do both.

Fifteen years earlier, HillaryCare was defeated because of this paradox. The famous “Harry & Louse” advertising campaign warned Americans that healthcare reform would reduce their choice of doctors—and the messaging worked. According to marketing expert Paul Rutherford, the yearlong advertising campaign was seen as a “catalyst” in “grabb[ing] control of the debate” over health care reform. In less than a year, surveys showed that Americans who thought the bill would make them worse off jumped from 21% to 37%. Americans did not have much of an incentive to support reform that would alter the status quo, even if it would help millions of the neediest and sickest Americans gain access to insurance.

This paradox was well understood by the Obama administration. President Obama recalled that during the debates over healthcare reform, “pollsters” showed him surveys suggesting that “85 percent of folks at any given time had health care and so they weren’t necessarily incentivized to support” reform. His staff was worried that pushing for reform “could scare the heck out of them . . . even if they weren’t entirely satisfied with the existing system, [because] somehow it would be terrible to change it.”

For President Obama, the paradox raised a dilemma: how to sell the American people on a transformational change in health care without scaring them away because of the necessary sacrifice. The marketing pitch for health care reform, which sought to eliminate any concerns about altering the status quo, was reduced to one sentence: “If you like your health care plan, you can keep your health care plan.” But accomplishing both goals was impossible.

Under the Affordable Care Act, insurers could no longer charge higher premiums, or deny coverage because of preexisting conditions. By far, this was one of the most popular aspects of the ACA, if not the most popular provision. A September 2009 Kaiser survey found that 80% of respondents supported this ban – that included 88% of Democrats and 67% of Republicans. Among those supporters, however, only 56% still favored the provision if it resulted in higher premiums; 36% would oppose it. Supporters likely did not realize that requiring insurers to cover sick people would necessarily shift the cost onto everyone else.

The insured who previously were able to get by with cheap insurance, or none at all, would now be forced to pay more to subsidize the coverage of poorer and sicker Americans. At its heart, the ACA was a form of redistribution. MIT economics Professor Jonathan Gruber – before he became an unintentional celebrity – stated the issue bluntly: “Americans want a fair and fixed insurance market You cannot have that without some redistribution away from a small number of people.” But the White House steadfastly refused to explain to the American people that this was how the law would operate.

President Obama’s long-time strategist David Axelrod conceded this critical contradiction of selling Obamacare. “We’ve created a sense that everyone can expect to win,” Axelrod admitted, where “nobody has to sacrifice.” William M. Daley, who served as President Obama’s chief of staff in 2011, explained, “Redistribution is a loaded word that conjures up all sorts of unfairness in people’s minds.” Daley feared that Republicans would wield it “as a hammer” against Democrats, adding, “it’s a word that, in the political world, you just don’t use.”

Public polls reflect this misperception of how the law was sold. In February 2009, the Kaiser Family Foundation surveyed whether people would be willing to sacrifice their own health insurance policies in order to achieve national health care reform. The majority answered no:

56% of respondents said “if policymakers made the right changes, they could reform the health care system without changing the existing health care arrangements of people like yourself.” This is impossible. In contrast, only 37% acknowledged “making any real reforms to the health care system will probably require people like yourself to change your existing health care arrangements.”

The Obama administration understood this dynamic, but was not forthright about how the law would alter the landscape. The *New York Times* observed that the theme of redistribution had “been hidden away to make the Affordable Care Act more palatable to the public and less a target for Republicans,” even though “the redistribution of wealth has always been a central feature of the law.” At bottom, the American people were rationally self-interested on the question of health care reform, and did not support change if it meant altering the coverage they were happy with. And more importantly, they understood that the ACA would not affect their coverage.

This misconception was aided and abetted by the White House’s misinformation. Instead of admitting the inconvenient truth, the president repeatedly lied about the cornerstone of the law. Obama told Congress and the American people in September 2009, “If you are among the hundreds of millions of Americans who already have health insurance ... nothing in this plan will require you or your employer to change the coverage or the doctor you have.” There was booming applause in the chamber. “Let me repeat this: Nothing in our plan requires you to change what you have,” the president exclaimed. This is a promise the president made at least three dozen times between October 2008 and October 2013. The clearest statement was in a high-profile speech to the American Medical Association, an essential constituency for reform: “If you like your health care plan, you’ll be able to keep your health care plan, period. No one will take it away, no matter what.”

Only four years later, and after millions of policies were cancelled, would the extent of this deception become clear. Politifact would shame the pledge as the “Lie of the Year.” In 2013, the best Obama could muster was this half-hearted apology: “I am sorry that they are finding themselves in this situation based on assurances they got from me.” This promise was how Obama dodged the paradox that defeated all presidents before him. This promise, which was essential to securing the necessary votes in the House and Senate, could not be kept – and the administration knew it. Without this promise the Affordable Care Act would have never been enacted.

But even when the policies were cancelled in the fall of 2013, the President’s response was to once again indulge Americans in the fantasy that the ACA allows them to keep their policies. Through the so-called “administrative fix,” the federal government permitted people to renew plans that would otherwise be cancelled through 2016. They were not charged the individual mandate penalty for having inadequate insurance. This executive actions, designed to mollify upset customers, had the perverse effect of keeping more people out of the insurance market. Though the administrative fix provided a short-term analgesic to people who had lost coverage or who could not afford new coverage, the modifications further skewed the risk pool toward older and sicker customers. The paradox continues.

The like-your-plan-keep-your-plan pitch was not only disingenuous, but was also self-defeating. So long as people believe that their own coverage will not be disrupted—through higher

premiums, smaller networks, larger deductibles—healthcare reform cannot succeed. If the United States is to in fact embrace health care as a “right,” beyond mere platitudes, the government must be frank about the immense sacrifice this entails. Unless that happens, the Affordable Care Act cannot survive the rational self-interest of people who still want to keep the plans they like.

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