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# **Health System Reform and the Next Social Contract**

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# Overview

- Good News
- Bad News
- What's Necessary for Reform to Happen  
(and work)

# The Good News

- Policy makers understand that delivery system reform must accompany coverage expansion/insurance market reform
- Many stakeholders are willing to say the status quo is unsustainable
- The economic meltdown has created a “tabula rasa” opportunity, to focus on true priorities
- New Leadership recognizes centrality of health system to economic and social systems

# More Good News

- Baucus v. Moynihan
- Kennedy Legacy
- Bi-Partisan conversations pre-election
  - Wyden-Bennett et al
- House Leadership is gearing up
- Obama
- Republican Disarray

# Some Underlying Realities

- Our incentive structure is deeply flawed
- Some profit from the flaws
- Behavioral choices affect health and health costs, and politics
- We can't afford "business as usual" trajectories
- Change is impossible, but necessary

# The Bad News

- Daschle
- Continued economic downturn
- Enemies of Reform are smart
- Advocates of Reform are easily provoked

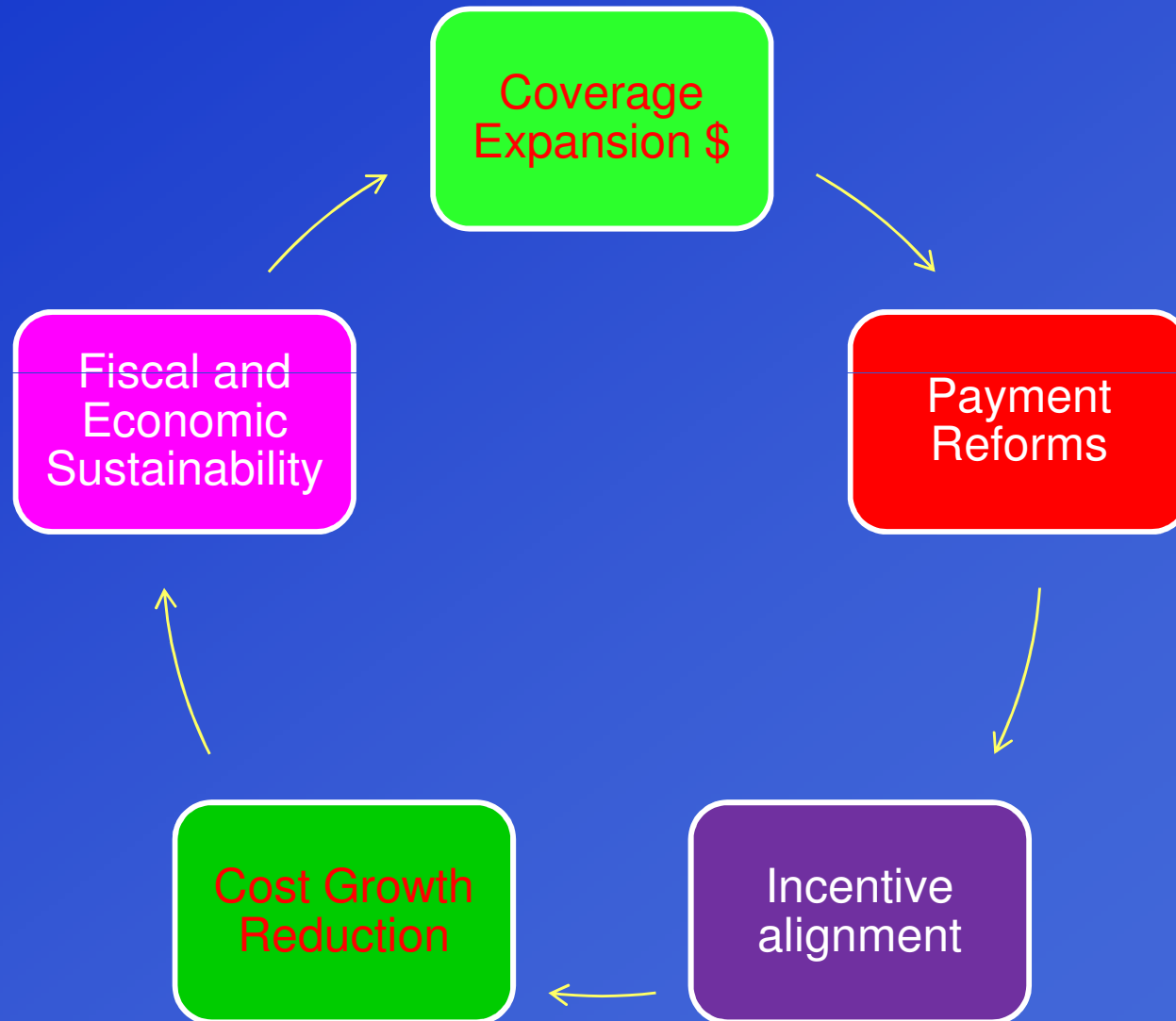
# Impediments to Speed (or Action at all)

- Economy
- CBO scoring
- R cohesion
  - Just say no v. share some/all goals
- Public plan
- Employer requirements
- Individual mandate
- Status quo stakeholder defenders vs. “change”

# How To “Break The Chain”

- Pursue Bi-Partisan Reform
- PROTECT the Debate from Saboteurs “by any means necessary”
  - Collaborations and new voices + pressure
  - Develop credible policies that can earn (divided) stakeholder support

# Reform's Virtuous Cycle of Feasibility



# Common Themes To Expect

- We Cannot Afford It (whatever “IT” is)
- Trust, but Verify
  - Transparency of price and comparative quality info
  - Market outcomes will need to be monitored
  - Government programs will need to be evaluated
- Shared Responsibility *is* the American Way
  - Individual responsibility is central
  - Community responsibility is to make it possible for each individual to take responsibility for himself or herself
- Economic cost of doing nothing is high
- Moral cost of doing nothing is possibly higher