Repairing, Replacing, or Resuscitating the ACA Insurance Market: Why Do It?

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Republicans’ Health Policy Film Festival

• “Gone in 60 Seconds”
• “It’s Complicated”
• “Weekend at Bernie’s”
• “Night of the Living Dead” + “Vampire Diaries”
• “It’s Alive”
Step Therapy for Individual Market
Health Policy: Past Lives Regressions

- **Secure more predictable streams of payment**
- Capture growing share of economy
- Expand third-party payment (other people’s money)
- **Hide, distort, and suppress real prices**
- Blame everyone else, sequentially
- Take and threaten hostages, as needed
- Add, don’t subtract, layers of intervention
- Keep incumbents in business
- Limit market entry and disruptive competition
- **Hybrid: profit-side capitalism, loss-side socialism**
- Invent new names for old policies
Fictionary

• Reconciliation
• Fixed dollar, age-adjusted tax credits
• Cost sharing
• Market discipline
Mining for Cost Savings
Risk Pooling
State Delegation & Innovation: Evolution, not Revolution
Rumbling & Stumbling

• Consequentialist critiques
• Only policy outlines w/o consensus
• Path dependence
• Opposition vs. governing; theory vs. practice
• Insufficient upsides
• No unifying, overriding theme(s)
Rumbling & Stumbling

- Losing control of the narrative
- You play as you practice
- Warring minorities
- Procedural & timing constraints
- Confronting embedded expectations & interests
- Loss aversion
Brezhnev Doctrine of Health Entitlements?
CONTAINMENT?
“Our organizing principle, bottom line, and primary incentive is money. The question is, how can we articulate that in a way which makes it sound as if we’re here to serve the public?”
Misreads:
Hits vs. Errors

• Subsidies
• Regulation/mandates
• Taxes
• Medicaid
• Transition
Moving Beyond
A Case of Bipolar Disorders

• Halt, you can’t do it any different way

• Please, just make it all go away
Was It the Green One? 
Or the Black One?
Individual Market Hyperbolic Mythology
House Rebounds in Overtime

- Reversing the blame game
- Waivers for wavering members
- Desperation, ambiguity, expediency
- Beating the shot clock
- Survive and advance
Senate’s Case of First Impression

- Medicaid
- Income & age adjustments to subsidies
- Rearranging tax & spending balance
- Working the ref
- Even tighter margins
- Conference vs. take it or leave it
Looking into Mirror Images

- Choosing **who** gets to avoid real prices
- Cost sharing is good, but bad
- The adversity of selection
- Individual mandate is **too weak**
- Cost reduction through **lower payments**
- Single-payer mania
- **Time inconsistencies**
- The contagions of Baumol’s disease
- Insurance myopia
Scaling Down Ambitions:
More Modest, but Real Changes Ahead in Direction & Emphasis

- Tilt toward more private, less public
- Lighten the load (regulation, mandates)
- Rearrange/retarget subsidies, winners & losers
- Relocate levels of decision making, with **accountability**
- Move on to more important issues
Ahead?

- Remarkable redirection
- Autoimmune rejection of transplant
- Resignation, implicit ratification
- More barnacles on the hull
If You Want Better Answers, Ask Better Questions

• Who gets to make the initial key decisions in health care?
• What do we want health care system to do, & how do we measure its performance?
• How do rebalanced health spending commitments match resources available along with competing needs and preferences?
• Can we ensure adequate floors without imposing low ceilings?
• How far, and how, should we aim at near-universal coverage?
If You Want Better Answers, Ask Better Questions

• How will initial pace and complexity of transition not kill you first?

• What’s the better balance between customization and standardization in health care?

• How do we produce healthier and wealthier self-supporting individuals and families through better means and tools?

• Averaging costs doesn’t reduce them. How can we improve health care to produce better outcomes at lower all-in costs?