

The future of Obamacare



by Scott L. Greer

The United States, among democracies, was late in establishing universal health care for the same reason that the health care it has established, the Affordable Care Act (aka Obamacare or ACA) is wildly complex by the standards of most health systems. The basic problem is that the United States has a deliberately fragmented and fragmenting political system, rife with “veto players” who can change or frustrate legislation. It is far easier to block legislation in the United States than in other rich democracies. As a result health legislation in the United States is rarer, far more complex and full of the compromises needed to get anything passed.

Major social policy legislation in the United States, then, is like a dog walking on its hind legs. The surprise is not that it tends to be extremely messy. The surprise is that it happens at all.

Obamacare is no exception. It was years in the making, years in the passage, spent years under legal attack, was eccentrically rewritten by a Republican Supreme Court, and is still both contentious and only partially implemented. But it is probably here to stay. Even if a Republican wins the White House and the Republicans retain their congressional majorities in 2016, the actual mechanics of repeal would be difficult. The ACA is full of revenue raising and cost containment mechanisms. Repealing it would probably increase the deficit, and would demand that the ruling party change legislative procedures. It would also incur the opposition of many stakeholders who benefit from the law, including health care providers.

It is more likely that the Republicans would try to damage it but leave large parts intact. If a Democrat wins, then the odds are that it remains in place but none of the patches and fixes any complex law requires would be passed.

What is likely to happen to the American health care system, then? The ACA is a substantial expansion of coverage, through the expansion of the Medicaid program more than through its much-discussed Dutch- or Swiss-style mandate. While much of the political impetus for health reform lay in the constantly increasing costs of the system, the actual cost containment measures are a farrago of payment reforms, pilot projects, and quality programs.

Joseph White, in an [article in HEPL that is the best single discussion of the law](#), refers to this set of health service reforms as the Aspirational Agenda. The United States eschewed techniques such as coordinated buying and price controls that underpin other health systems’ coherence and cost containment. Instead, its public and private buyers alike, as well as their surrounding industry of health policy academics and consultants, focus on efforts to better manage health care.

This is a recurrent American political pattern: identify a problem such as runaway cost growth, decline to solve it because the affected interests could block legislation, and then make do with measures to expand supply, expand medical scientific research, and study the problem. The pattern has been a boon for American researchers and reformers, even if it depends on a recurrent refusal to solve basic problems.

The result is the common European joke that the United States is awfully rich in health care researchers and policy analysts for a system that is so basically dysfunctional. That is because the United States, for political reasons, does not adopt simple solutions to simple problems. Rather, its health politics are a constant effort to invent work-arounds that will expand coverage and improve

health care without damaging too many entrenched economic interests. One generation's work-around is then the next generation's entrenched economic interest.

In the case of the United States since 2008, health care costs have not been rising, but that seems to be a result of a weak economy and insurers' efforts to constrain patients' options ("narrow networks"). Such efforts to constrain patient choice have recurrently been tried and failed because patients dislike them, and the economy is slowly getting better. So what protects Americans from more escalating health care costs?

The Aspirational Agenda offers, essentially a bet on health care information technology, health care managers, and insurance companies. Ezekiel Emanuel, an exemplary Democratic policy thinker for better or for worse, makes the case. Health care IT will reduce waste and improve coordination. Health care managers will not just overcome all manner of social and organizational barriers to efficient, quality, coordinated care; they will also manage to reach out and improve general "population health." And insurers will promote efficiency, coordination, integration and wellness.

Be sceptical. The failings of health IT, health management, and insurers are legion. They all have a better record of increasing costs than of increasing quality or efficiency. The United States has bet on them because that is what was politically possible, not because they are a good bet. Other systems that have already solved the basic cost and access problems might learn a lot from the American experiments, but the United States has still not paid the whole price of its costly, fragmented, inefficient *political* system.

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