

Chapter 1

Health Policy Change

An Attitudinal Approach

WHY HAS HEALTH CARE DOMINATED THE POLICY AGENDA?

In 1990, Helen Jones, a single mother of two, learned that she had diabetes. Anyone in the medical profession could have told her that she was at high risk, after all, she was of Native American heritage, and she was somewhat overweight. Helen's physician told her that her condition was manageable and that her yearly visits to the doctor must now become more frequent. Helen's job at a local factory came with excellent benefits, and although she was concerned about her illness, she knew that as long as she followed her doctor's advice, it was not life threatening.

Helen's life changed dramatically the following year when the factory closed. Not only was Helen out of work, in a recession-ridden economy, she was also faced with the prospect of losing her health insurance. While her unemployment benefits insured that she and her children would not starve, they were not nearly enough to cover her COBRA payments of \$400 per month. When Helen did find a new job, she learned that her preexisting condition prohibited her from obtaining health insurance under her new employer's plan. Suddenly, health care and health insurance had gone from a trivial consideration to a highly salient one.

One night while watching the news, Helen saw a political advertisement for Harris Wofford, a Senate candidate. In the ad Wofford talked about health care coverage as a national issue. For Helen, and many other citizens throughout the United States, this message resonated. The ad, and Wofford's campaign, were

the product of James Carville and Paul Begalia. Together, they were responsible for turning a special election to fill the remaining years of Senator John Heinz's seat from a sleepy contest, in which a popular former governor and Bush administration attorney general, Richard Thornburgh, would win, into a galvanizing event for the public provision of health care as a political issue. The Wofford victory on May 8, 1991, was probably not surprising to those who had been watching Gallup's "Most Important Issue Surveys." As Table 1.1 and the accompanying graph (Figure 1.1) show, health care became increasingly important. In fact, by 1992, health care surpassed crime, the deficit, and drugs as the most important problem facing the United States in Gallup surveys.

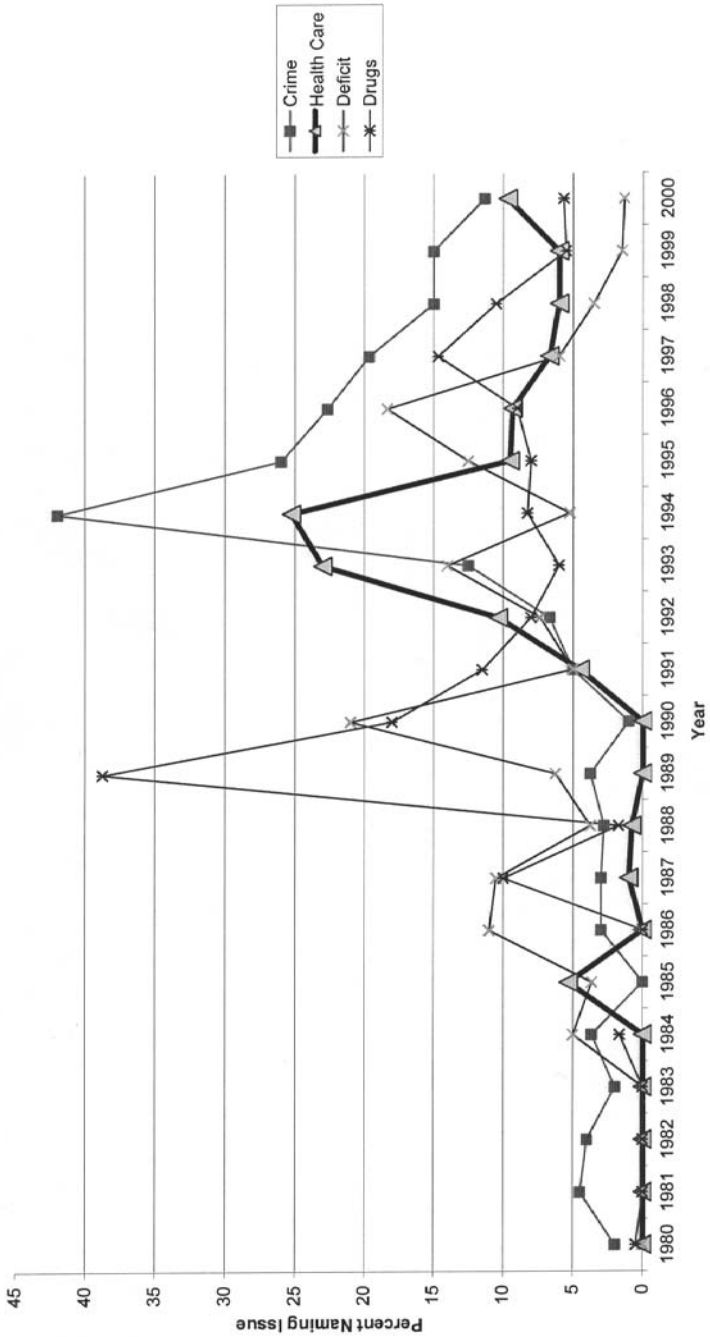
In 1992, following on the heels of Harris Wofford's stunning upset victory in Pennsylvania, then Governor Bill Clinton hired Wofford's advisers to help him run his dark-horse presidential campaign. Paul Begala and James Carville

TABLE 1.1
Gallup's Most Important Issues Surveys: 1980–2000

<i>Year</i>	<i>Crime</i>	<i>Health Care</i>	<i>Deficit</i>	<i>Drugs</i>
1980	2	0	0	1
1981	5	0	0	0
1982	4	0	0	0
1983	2	0	0	0
1984	4	0	5	2
1985	0	5	4	—
1986	3	0	11	0
1987	3	1	11	10
1988	3	1	4	2
1989	4	0	6	39
1990	1	0	21	18
1991	5	5	5	12
1992	7	10	7	8
1993	13	23	14	6
1994	42	25	5	8
1995	26	10	13	8
1996	23	9	18	9
1997	20	7	6	15
1998	15	6	4	11
1999	15	6	2	6
2000	11	10	1	6

Note: Numbers are percentages of respondents indicating that the category is the most important issue.

FIGURE 1.1
Gallup's Most Important Issues Surveys: 1980–2000



took the health care message that had resonated so well in Pennsylvania to the “Little Rock War Room” and the rest is, as they say, history. The election of 1992 and the subsequent introduction of the Clinton administration’s Health Security Act in 1993 are the most recent entries in the modern history of health care reform. In fact, much of this book is dedicated to a series of analyses of the Health Security Act because it *is* among the most recent entries in the modern history of health care provision; however, the story itself began in 1933. During the seven decades since then, the debate has centered on what role government can and should play. This is a debate that has been shaped and influenced by politicians, political elites, the media, and the general population.

EXPLANATIONS FROM SOCIAL SCIENCE

The question now is what can the social sciences tell us about the events of the past 68 years? Can the social sciences tell us why the United States is the only Western democracy without government-provided health care? Is the health insurance system in the United States a product of politics, economics, or both? Most important, can social sciences tell us what role citizens and politicians have played in this remarkable journey?

In this book, the reciprocal relationship between voters and politicians is examined within the context of knowledge. To that end, I explore how advocacy efforts affect the dominant ideology by informing and persuading the public to support or oppose health care policy changes and proposals. The study is multifaceted because of the complexity of the relationships and the desire to discover what comprises the turbulence beneath the system that leads to the observable dynamic changes in policy. Further, there is also a focus on understanding why policy proposals fail, which is again, as I show in the remaining chapters, also a function of the underlying activity. For example, in chapter four, I examine the role of the president as an advocate in a unidirectional model with the president as the first actor in health policy change. Rather than looking at the role of various political factors as predecessors to presidential action, this study considers the simultaneous effect of politics on presidential advocacy in health care policy. That is not to say that the president acts in a vacuum, something that Cameron (2000) demonstrates convincingly. Rather, I construct a multistage cross-sectional pooled time series model of presidential decision making that takes into account measurable components of the political context within which the president makes a health care policy proposal. This is one example of my attempt throughout this book to simplify relationships that are complex and present snapshots that will add to our understanding of how policy develops within an environment where the information held by the political actors (politicians and voters) is dynamic.

Building on that concept, I examine how the dynamic nature of knowledge affects policy preferences. This raises the question How can a researcher uncover and disentangle this relationship? Without giving away the story, the short answer is that knowledge and policy preferences and the reciprocal relationship they share is observable by means of studying public opinion. In this sense, the responses to survey questions represent the underlying process in which information and preferences are in a constant state of flux. For example, a citizen's knowledge on policy issues can change through exposure to a number of different sources ranging from political elites to the media. The aggregate effect of these changes can create sways in public opinion about policy preferences. These changes in public policy preferences then provide politicians and elites with additional information that allows them to change their message, which in turn can again affect information held by the general public. In a nutshell, this is the cycle of activity that leads to the dynamic changes in policy that advance in a discontinuous manner within a path dependent system. The examination of this cycle of policy stability, punctuated equilibriums and the underlying turbulence in various forms and various stages, is a central element of this book.

The study of this cycle is necessarily grounded in a study of public opinion in its various forms, which leads first to a discussion of whether there is an influence of public opinion on national policy. The question of whether public opinion influences national policy is an area of debate. Some deny any influence, while others suggest that the causal arrow is in the opposite direction with public policy influencing public opinion. In the following chapters, I examine this relationship to learn whether public preferences have any influence over policy outcomes. I also examine the influence of advocacy and information on public preferences. Public opinion is a chief example of the underlying turbulence that exists. It becomes more relevant when opportunities for punctuated equilibria appear, but it is nevertheless generally at a level that is just beneath the surface and not always identifiable. Jacobs and Shapiro (2000) give excellent examples of this underlying dynamic where elites believe that public opinion can be shaped and influenced by advocacy and information. Likewise, they show that politicians rely on public opinion to craft their messages. While more specific examples presented in *Politicians Don't Pander* are discussed in the following chapters of this book, Jacobs and Shapiro provide a nice example of the overall concept in their introduction made even more salient by their use of recent political events:

Republicans' dogged pursuit of impeachment was premised on the assumption that poll honed presentations would ultimately win public support for their actions. We suggest that this kind of overconfidence in the power of crafted talk to move public opinion explains the political overreaching and failure that was vividly displayed by Clinton's

health reform effort during the 1993–94 period and the Republicans' campaign for their policy objectives beginning with their "Contract with America" during 1995–96. Crafted talk has been more effective in opposing rather than promoting policy initiatives partly because the news media represent and magnify disagreement but also because politicians' overconfidence in crafted talk has prompted them to promote policy goals that do not enjoy the support of most Americans or moderate legislators. (p. xv)

Despite the fact that this is a brief introduction to their argument, in general, Jacobs and Shapiro show that among politicians there is a belief that public opinion can be used as a source of information about the construction of policy proposals (e.g., the Health Security Act) as well as a belief that public opinion can be changed through the use of crafted talk (e.g., the Clinton impeachment process). This notion fits well within the Downsian (1957) concept of democracy in which political elites search for information regarding preferred policies among the citizens (polls) and citizens search for information from elites about which policies they should favor (crafted talk). (This concept will be discussed further in chapter 2.) However, as Jacobs and Shapiro suggest, something goes terribly awry in that crafted talk often results in an irrational turn of events causing a disconnect between policies preferred by citizens and policies preferred by politicians.

Nevertheless, by applying our understanding of the discontinuous events, known as "punctuated equilibria" when discussed within the context of path dependence, the relationship begins to make more sense and does, in fact, fit within a rational paradigm. If the goal of crafted talk, or advocacy and information directed toward the public by the elites, is to create conditions that are ripe for a dynamic change in policy, then crafted talk is imminently rational for politicians. Likewise, if the goal among elites in consulting public opinion is to determine whether there is disequilibria in the policy system due to dissatisfaction among the public, then the use of polls is again rational elite behavior. The breakdown occurs when there are strong policy preferences among the citizens that are in direct conflict with the strong policy preferences of elites. In such a situation, there can be no rational outcome. Thus, it is crucial to understand that public policy and public opinion do not operate in a vacuum. While they influence and inform each other, there are a multitude of additional factors that influence both public policy and public opinion. In this book, these other factors—advocacy efforts, the political climate, the public mood, the media, and various forms of information—are discussed within the context of the relationship between public opinion and public policy. Together, they produce a better understanding of the underlying unrest that occasionally allows American health care policy to leap from one path dependent equilibrium to another.

Of course, this argument rests on the assumption that public opinion in some way, shape, or form influences public policy.

OVERVIEW

Indeed, this requirement was met, time and time again, in many cases by the president. In chapter 4, I show that during the modern era of politics (1933 to the present) there have been multiple attempts, led by the presidents, to institute a national health insurance plan. Beginning with the first draft of Social Security legislation and continuing through the 1960s, there were frequent proposals; however, it was not until 1965 with the passage of Medicare and Medicaid that the federal and state governments became providers of comprehensive health benefits packages for civilians.¹

Each of the following chapters focuses on a specific element of the seemingly random shocks to the path dependent system or the punctuated equilibria in the dynamic system. In chapter 2, I put forth a theoretical framework for studying dynamic policy change. The discussion thus far has alluded to path dependence, punctuated equilibria, and the role that the political actors play within the system of dynamic policy change. These examinations are used to gain greater understanding of the nature of health care policy change, in general, and the role that the mediating effect of the public or the instigating effect of politicians play in these events. The system is indeed complex, as Lippmann (1965) noted many decades ago:

The real environment is altogether too big, too complex and too fleeting for direct acquaintance. We are not equipped to deal with so much subtlety, so much variety, so many permutations and combinations. And although we have to act in that environment, we have to reconstruct it on a simpler model before we can manage with it. (p. 11)

For the very reason that Lippman notes, in the chapters that follow, the various parts of the underlying turbulence that presents policymakers with opportunities for evolutionary policy changes are broken down into smaller components. This deconstruction begins in chapter 3 where the exploration of path dependence in policy begins with an examination of two variables that nicely model path dependence, public mood and federal spending. Federal spending can be viewed as a path dependent system by the very fact that each year's budget builds on the budget of the previous year. The public mood presents an insight into the evolutionary changes that transform policy. By examining the mediating effect of public opinion on federal health care expenditures in chapter 3, I examine one feature of the turbulence that leads to evolutionary policy

change. In contrast to the other chapters, where the role of public opinion and political instigation are examined simultaneously, in chapter 3, public mood is isolated as one component of the underlying unrest. I investigate how the public and their mood have mediated federal health care policy by performing a time series analysis. Specifically, chapter 3 demonstrates the mediating and predictive impact of public mood on federal health care expenditures. In sum, as the public becomes more liberal in its attitudes, federal health care spending increases. This finding also provides insight into the failure of the Health Security Act. While the public had become more liberal in the decade leading up to the Act, it had not become liberal enough to support the Act's required expenditures. Thus, chapter 3 puts forth one simple explanation for the failure of the Act and the success of Medicare and Medicaid.

In chapter 4, I begin exploring some of the other components of the underlying turbulence. Specifically, I examine the instigating role of politicians. In this case, the president is viewed in terms of being the chief instigator, and the discussion takes place on the backdrop of the modern history of federal health care policy. This chapter focuses on the actions and activities of the president and the context in which they are made from the perspective of what Jacobs and Shapiro (2000) call "crafted talk." I present an examination of how presidential speeches and other presidential discussions of health care have combined with traditional notions of presidential power to shape the debate and the ultimate outcomes of presidential health policy initiatives. Overall, three presidents—Harry Truman, Lyndon Johnson, and Bill Clinton—actively pursued national health care reform with varying degrees of success. Their ability to achieve dynamic health policy change was tempered by the political environment in which they operated. At times, factors exogenous to the policy area itself established situations in which only incremental change was possible. Generally, the politician influences the situation through one of two roles: either as an active participant shaping the policy outputs so that the public gets what it wants or as a bystander watching policy advance incrementally. That is, without effort, change can only occur through evolution, but with active politicians acting as policy entrepreneurs, change can be dynamic. Of course, this can be tempered or accelerated by citizens. The role of the public, their mood and their preferences, influence the nature of the policy change.

The first part of the book (chapters 3 and 4) investigates the mediating effects of public opinion and elite instigation across most of the modern political era. Together, they provide a base for an in-depth exploration of what many have called the most sweeping policy proposal of the past decade, the Health Security Act. The latter part of the book (chapters 5, 6, and 7) explores the demise of the Act in more depth, with an emphasis on uncovering the underlying dynamic that leads to evolutionary changes in policy. To that end, chapter 5 examines the

role of policy specific knowledge on citizen support for a policy. In this case, an investigation of how factual knowledge of the Health Security Act affected public support for it is presented. Generally, the finding is that people more knowledgeable about the details of the Act were much more likely to support it. This is an important finding, given that the general consensus was that the Act failed, not because it was contrary to what the public wanted, but rather because it was so complex that most people did not realize it was the plan they had wanted. Thus, in this case, the evolutionary path was blocked by complexity. The Clinton administration was unable to maintain public support or persuade the undecided partly because of the complexity of his plan and also due to the simplicity of the countervailing message. The public and politicians alike were forced to abandon the Health Security Act because Clinton's crafted talk was not completely comprehensible.

The role and power of information, a factor that proves to be crucial to policy support in the analysis presented in chapter 5, is explored further in chapter 6. However, in chapter 6, the media is brought into the discussion through an examination of the "Harry and Louise" advertising campaign's influence on support for the Health Security Act. There is a significant impact from the countervailing information that is seen in diminished support among those exposed to the advertisements. This chapter represents the final analysis of the underlying turbulence in the health care policy system. Together, chapters 3, 4, 5, and 6 explore (within the context of public opinion and elite discourse) the conditions under which policy can change, and why, even when the conditions are right, policy does not change.

With chapter 7, the investigation of public opinion and elite discourse comes full circle. That is, while in chapter 4, I discuss the role of the president, his power, and popularity in pursuing policy change, in chapter 7, I examine how negative campaigns against presidential policies affect vote intentions, by scrutinizing the effect of the Harry and Louise advertising campaign on intentions to vote for Bill Clinton. The impact in chapter 7 is much more dramatic than the findings in chapter 6. Exposure to the Harry and Louise advertisements significantly decreased the likelihood of voting for Clinton in 1996. Further, these results point to a plausible explanation for the 1994 elections in which the Democrats suffered the most stunning loss in their history, losing both houses of Congress by margins larger than any incumbent party in history, because of the lingering negative attitudes toward the Clinton administration. While chapter 7 deals with a concept that is not directly related to the discussion of path dependence in the preceding chapters, it provides data and findings to enhance our understanding of the nature of policy change. These results show that there can be a downside to tapping into the turbulent undercurrents that allow policy changes from time to time.

Overall, this book explores the small, but significant, impact that citizen preferences play in federal health care policy. The following chapters present examinations of areas where public opinion is influenced at the margins, advocacy by the president, attitudes toward spending, information, and political sophistication. Taken together, they show that, although public opinion does not dictate public policy, there are indeed mediating influences on policy from various aspects of public opinion.