

## Health Care

# Can Obama F

As doubts grow about the White House's push for comprehensive reform, the President faces the biggest challenge of his political life. A look at what's at stake for Obama, the health-care system—and you

BY KAREN TUMULTY

**H**IS ELOQUENCE IS A BIG PART of the reason that Barack Obama got to the Oval Office. There's always been a sense that his ability to explain things was tantamount to his ability to fix them. But the sheer complexity of health care has so far defied both his ability to explain and his power to fix. And in this case, the latter is an even greater challenge than the former.

As the President sat surrounded by his health-care brain trust on July 28, his words seemed unequal to the task before him. Dr. Bob Kocher, a special assistant at the National Economic Council, was on the cream-colored brocade couch across from

Obama, laying out figures that showed what a sinkhole the country's health-care system has become: the U.S. spends more to get less than just about every other industrialized country. Still, Obama and his team are aware that the more Americans learn about how Washington proposes to cure that system, the more skeptical they are about the whole enterprise. The more the public hears, the less it seems to understand. What Obama and his team also know is that fixing health care has become not only a defining moment for his presidency but also a test of his leadership.

In an interview in the Oval Office, Obama did not attempt to hide his frustra-

tion. "This has been the most difficult test for me so far in public life, trying to describe in clear, simple terms how important it is that we reform this system. The case is so clear to me. And when I sit with our policy advisers," he told me, pointing across the room to the spot where Kocher had given his presentation hours before, "when you start hearing the litany of facts, what you say to yourself is, This shouldn't be such a hard case to make, because the American consumer is really not getting a good deal ... It leads me to spend a lot of time thinking about how can I describe this in clearer terms, so that we can get the health care that the American people deserve."

Clarity in describing the challenge is only one test. The hard part is making sure that in transforming a system that is bankrupting the country, Washington doesn't create a new one that does it even faster. Or that in expanding health coverage to the minority of Americans who don't have it, Washington doesn't leave the majority who do have it—and who like what they have—with less. The next 90 days will be particularly treacherous, as Obama's campaign to remake the health

FROM TOP: JULES FRAZIER—GETTY; BROOKS RAFT—CORBIS FOR TIME



# Find a Cure?

system enters its final, make-or-break stretch. The President will need all his rhetorical skills—and some fresh legislative moves—to persuade this Congress to pass his signature domestic-policy initiative.

Obama has gotten this far in part because he has put off the thorniest questions of who should pay and how big a role government should have. These, he says, are the issues that deepen “some longstanding ideological divisions in our Congress and, frankly, in our society.” They are also the ones that have defeated Presidents who have tried to solve the problem, going all the way back to Teddy Roosevelt. But what looked like shrewd politics early in the process is increasingly being viewed on Capitol Hill as a failure to lead. As a senior Democratic congressional aide put it, “The President is going to have to step forward and start making decisions—soon.”

In our interview, Obama noted correctly that there is broad agreement about how to fix the inequities and inefficiencies of

the current system: new insurance rules to make certain that people won't lose their coverage if they get sick; a marketplace or “exchange” where small businesses and those without coverage could purchase what suits them best; research that would show which treatments were effective and which were wasteful; a payment system that would give health-care providers incentives to focus on the quality rather than the quantity of care. And Obama has laid

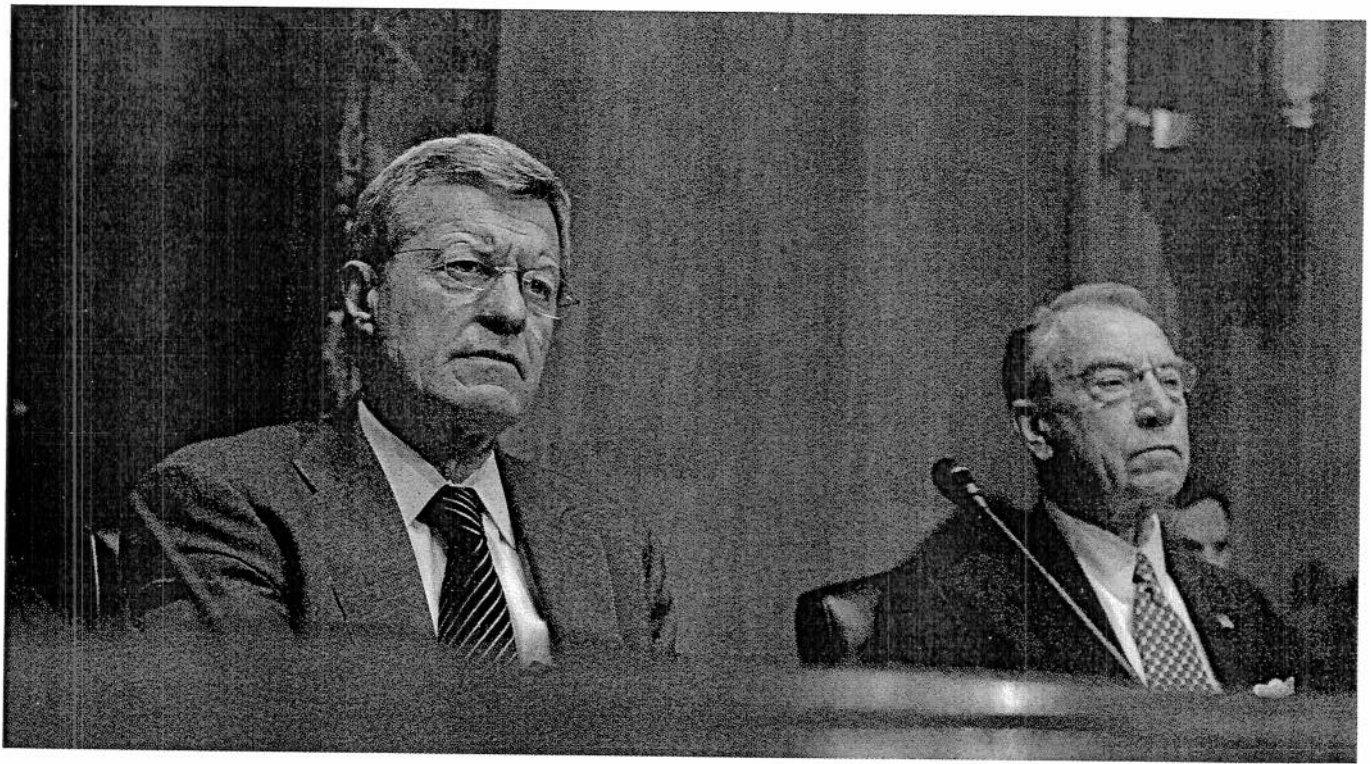


**“More guidance” than advertised** Taking care to hide his bottom line in public, Obama is now more active with lawmakers in private

down a marker that any bill that passes must not add to the deficit over the next 10 years. “Eighty percent of all the various bills that are out there, that people have agreed to, reflect most of our ideas from the start of this process,” he says.

But most of the pivotal questions—particularly about money and who will lose it—remain unresolved. The continuing uncertainty over what the final plan will do, and to whom, helps explain why public doubts are growing. A new TIME poll reveals that 46% of the nation approves of Obama's handling of health care—exactly the same percentage that disapproves. Lawmakers will soon head home to face voters without answers to many of their most basic worries: Will taxes go up? What treatments will be covered? Will there be a new, government-run public plan like Medicare? What new requirements will it put on businesses and individuals? What new sacrifices will Americans have to make? And what are the guarantees that an overhaul will bring health-care costs under control rather than make them rise even faster?

There are signs of a coming backlash.



Obama's health-care-reform allies are currently outspending his opponents 2 to 1, says Evan Tracey of the nonpartisan Campaign Media Analysis Group. The actors who starred as a fictitious middle-class couple in the famously devastating "Harry and Louise" spots that helped kill the Clinton health plan in 1994 are now featured in ones that push for overhaul. But the other side is just warming up, so you can expect to see plenty of nightmarish scenarios in TV advertisements featuring legions of government bureaucrats standing between patients and doctors, and long waits for lifesaving treatments. The U.S. Chamber of Commerce has already allocated \$2 million to fight the idea of a public plan that would compete with private insurers; two liberal groups—Health Care for America Now and the National Physicians Alliance—have run ads in six states arguing that a public option is essential. "August," says White House chief of staff Rahm Emanuel, "has both peril and opportunity."

### For Obama, Lessons from 1965

IT HAS BEEN 44 YEARS SINCE AN AMERICAN President has succeeded at any new social policy nearly as ambitious as what Obama is trying to do. Yet Obama wondered whether there might be some lessons for him in that earlier President's achievement. So a couple of weeks ago, his health czar, Nancy-Ann DeParle, delivered to him a memo outlining how Lyndon B. Johnson got Medicare and Medicaid passed in 1965.

**Will the center form?** Democrat Baucus of Montana, left, and Republican Grassley of Iowa continue the hunt for a formula that can attract at least a handful of GOP votes

Obama was struck by the advantages LBJ had that he doesn't: Johnson was just coming off a landslide election victory and had bigger Democratic majorities on Capitol Hill, where individual members were not nearly as independent of their party leaders as they are now. Nor was the Republican Party of 1965 as uniformly conservative as it is today. Obama must contend with a rougher political culture, fueled by a press corps that in the President's words "gets bored with the details easily, and it very easily slips into a very conventional debate about government-run health care vs. the free market."

But there is also much about how Washington works that hasn't changed. LBJ once said the only way to deal with Congress is "continuously, incessantly and without interruption." To get anything really big done, a President must not only rally public opinion but also keep the legislative machinery turning despite the brakes applied by moneyed interests and public doubts. That is the hard work of governing, and it is very different from campaigning.

Of late, Obama seems to have taken some pointers from Johnson. Obama estimates that he is now devoting a third of his time to working to get a health bill

passed. On July 22, Obama was struck by Washington Post columnist Steven Pearlstein's contention in the morning paper that even an imperfect health-reform plan beats the status quo. The President circulated the column to his senior staff, Emanuel recalls, declaring, "This is required reading." And that night at his prime-time news conference, Obama repeated Pearlstein's argument. Top aides say he spends at least two hours a day in meetings and on the phone with key members of Congress, particularly those on the Senate Finance Committee—some of whom hear from the President almost daily. His message to them usually boils down to two words: Keep moving.

There have been times when Obama has intervened behind the scenes to keep lawmakers from going off track. The President was alarmed, for instance, when Douglas Elmendorf, director of the Congressional Budget Office (CBO), declared on July 16 that the measures thus far

**'The assumption that Democrats will accept anything is a totally false assumption. It had better be a strong bill.'**

—SENATOR CHRISTOPHER DODD

produced in the House and Senate failed to bring the "fundamental change" needed to bring down health costs in the long run. So the following Monday, he summoned Elmendorf, former CBO director Alice Rivlin, Massachusetts Institute of Technology economist Jonathan Gruber and Harvard University's David Cutler to the Oval Office to go over the bills and find other ways to wring out savings. The next day, Obama met with moderate Blue Dog Democrats who have stymied the health-care progress in the House. Drawing on advice from the economists the day before, the President revisited an idea that committee chairmen on Capitol Hill had previously rejected: take from Congress the power to set Medicare reimbursement rates and give it to an independent board. The backroom session went on for hours; by the time it was over, Obama was on his way to winning on that point.

Will that kind of LBJ-style maneuvering be enough? Skepticism is growing. Before taking a risky vote that could come back to haunt them, Democrats are clamoring for a clearer idea of where the President stands on some of the thornier issues, like who should be taxed—and how much—to cover the uninsured. "They want to make sure what they are voting on will be there in the end," says Connecticut Congressman Joe Courtney. "This is a unique role the White House can play."

Some Obama allies fear that in his eagerness to get a deal—especially one that can attract Republican votes—he is giving away too much. The Senate Finance Committee, for example, is on the verge of a deal that would jettison the public option in favor of nonprofit, consumer-owned health-care co-ops, which would mean far less government involvement than many liberals would like to see. The Finance Committee, whose chairman, Max Baucus of Montana, is working closely with ranking Republican Charles Grassley, appears poised to omit any requirement that employers provide coverage to their workers (though they would have to reimburse the government for what it would pay to help them buy their own coverage) and to give relatively skimpy subsidies to Americans who would now find themselves required to buy insurance.

Those provisions make liberal Democrats uncomfortable, if not suspicious. "The assumption that Democrats will accept anything is a totally false assumption," says Senator Christopher Dodd, who led the drafting of a more generous Senate alternative measure. "It had better be a strong bill, or they won't have a bill." —WITH REPORTING BY SOPHIA YAN/WASHINGTON

## TIME POLL

When TIME asked 1,000 Americans what they thought about the prospects for health-care reform, a majority responded that large adjustments rather than minor reforms are needed in the way that Washington regulates medicine. At the same time, however, voters fear that Congress is likely to enact changes in insurance practices and federal programs that will needlessly complicate health care, increase costs and limit the ability of patients to choose their doctors, hospitals and treatments.

### Health care

# 55%

PERCENTAGE OF THOSE POLLED WHO BELIEVE THE CURRENT HEALTH-CARE SYSTEM NEEDS MAJOR REFORM



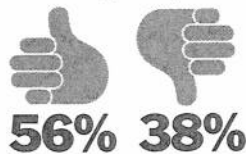
Are you currently covered by any form of health insurance or health-care plan?



PERCENTAGE OF AMERICANS WHO ARE SATISFIED WITH THEIR CURRENT HEALTH-CARE PLAN

### Obama at six months

Overall, do you approve or disapprove of his handling of the job?



# 69%

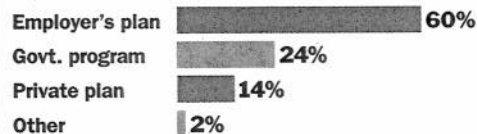
PERCENTAGE OF THOSE POLLED WHO BELIEVE IT IS IMPORTANT TO PASS A MAJOR HEALTH-CARE REFORM BILL IN THE NEXT FEW MONTHS

**62%** believe the final health-care legislation is likely to raise their health-care costs in the long run

**56%** believe it will give them less freedom to choose their doctors and coverage

**65%** believe it will make everything more complicated

Are you covered through an employer's plan, a private plan you bought yourself or a government program such as Medicare or Medicaid?



Overall, how would you rate the health-care system in the U.S.?



# 33%

PERCENTAGE OF PEOPLE WHO ARE WORRIED THEY COULD LOSE THEIR HEALTH INSURANCE IN THE NEXT 12 MONTHS

Do you approve or disapprove of the job President Obama is doing in each of these areas?



Whom do you trust more to develop new health-care legislation?

**47%** President Obama  
**32%** Republicans in Congress

# 51%

PERCENTAGE OF THOSE SURVEYED WHO BELIEVE THAT THE COUNTRY IS HEADED IN THE RIGHT DIRECTION

The poll, conducted for TIME by Abt SRBI, surveyed 1,002 American adults on July 27 and 28. It has a margin of error of ±3 percentage points