

Health-care opportunity: The time for reform is now

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Shortly before Christmas, while defending his plan to give federal aid to the collapsing U.S. automakers, President Bush remarked, “I have abandoned free-market principles to save the free-market system.”

Though it sounds like a hapless paradox worthy of Yogi Berra, his comment was an accurate summary of a U.S. political tradition. Americans have never favored radical critiques of the market. Even during the New Deal of the 1930s, which marked a decisive turn toward making government the protector of social security and economic prosperity, reforms of the market were pragmatic and experimental, not consistently ideological. The recovery efforts that President Franklin Roosevelt initiated were largely compromise measures designed to reassure business leaders and fend off more radical proposals in Congress. Saving the free market from itself, on behalf of the market, was the context of reform. Economic crisis and fears about the collapse of capitalism generated innovation.

That is why the moment is now ripe for the Obama administration to push for health-care reform. Skyrocketing health-care costs contribute to the stagnation of American business. Recognizing this, an increasing number of major employers—including Safeway, Del Monte, Heinz, and PepsiCo—now back the idea of government-mandated universal health-care coverage as a measure that is good for business.

Tom Daschle, the former senator whom Obama nominated to be Secretary of Health and Human Services and to head the new administration’s health-care reform effort, has long worked on persuading businesses to join the reform movement. He points out, for example, that Ford and General Motors pay nearly \$1,500 in health-care costs for each car they make, whereas BMW in Germany pays only \$450 in health-care costs per car. He argues that health-care costs have undermined profits.

Long-overdue reform of the health-care system is not likely to happen without the support of business leaders. As Daschle knows, businesses leaders are not likely to

act out of an altruistic concern for the uninsured or out of general dismay at the fact that the U.S. spends more on health care per person than any other nation and gets so little for it (the U.S. ranks 37th in the world for the performance of its health-care system, according to the World Health Organization). They will support reform when they see it as a way to cut their own costs and to better thrive in the free market. They will abandon market principles to save the free-market system.

The coalition that reforms health care will not be ideologically pure or philosophically coherent. It will be spurred by a common sense of crisis and the realization that there is no better time to act than now.