Mark Masselli: This is Conversations on Health Care. I am Mark Masselli.

Margaret Flinter: And I am Margaret Flinter.

Mark Masselli: Margaret, last week's much anticipated Health Care Summit organized by the White House had all of the key Democratic and Republican lawmakers in attendance but I don't think it accomplished much in the ways of increasing bipartisan support, but it did provide an opportunity for both sides to lay out their position. It's fair to say little progress was made on finding common ground and none on moving the bill forward. So it appears that the Democrats will have to act alone in attempt to pass Health Care Reform this session.

Margaret Flinter: Mark, I thought it was apparent from the start of the summit. The Republicans and Democrats were not going to come to an agreement on a bill. The Republicans chose Senator Lamar Alexander of Tennessee to make their opening remarks and well he started off with some more emphases. He told the Democrats the only way forward was to scrap their existing bill and start over on new legislation. That was not an auspicious start to breaking bipartisan deadlock. And at times, the facts that were cited by members of both sides of the (Inaudible 1:19) were in direct conflict. The President gave no quarter and was quick to correct Senator Alexander and others when he thought they were taking liberties with some of the facts.

Mark Masselli: Republicans strongly opposed the use of reconciliation but President Obama sees it as the only option since Republicans were not willing to compromise. White House Spokesman Robert Gibbs said that President Obama was elected to make progress on issues that had confounded and vexed Congress in the political system for years, health care being one of the bigger ones. In his defense of moving health care forward, Gibbs mentioned in article in New York Times on the cost of doing nothing in reference to quote by Karen Davis President of The Commonwealth Fund and a previous guest in our show. Davis said people think if we do nothing, we'll have what we have now, in fact what we will have is a substantial deterioration in what we have.

Margaret Flinter: And that's a very sobering and realistic thought from Dr. Davis. So, Mark, while we are waiting for the final phase of this chapter in the long story of American Health Reform, we will continue to focus on what the best minds and the most interesting experts think about the best path forward. We are excited about our guest today who

is going to share his thoughts on these challenges that America faces in advancing Health Care Reform. Uwe Reinhardt is recognized as one of the nation's leading authorities on health care economics. He is the James Madison Professor of Political Economy and a Professor of Economics and Public Affairs at Princeton University. He has been a member of the Institute of Medicine and the National Academy of Sciences since 1978.

Mark Masselli: No matter what the story, you can here all of our shows on our website Chcradio.com. You can now subscribe to iTunes to get our show regularly downloaded. Or if you would like to hang on to our every word and read a transcript of one of our shows, come visit us at Chcradio.com.

Margaret Flinter: And as always, if you have feedback, email us at Chcradio.com, we would love to hear from you. Now, before we speak with Professor Reinhardt, let's check in with our producer Loren Bonner with the headline news.

Loren Bonner: I am Loren Bonner with this week's headline news. Last week, President Obama held his bipartisan summit on health care. Despite almost seven hours of back and forth between Republicans and Democrats, the resulting efforts appeared to have made little difference. The discussion did more to reinforce long-held views rather than change them. At the heart was the fundamental difference between the two parties on the role the government should play in health care. Congressman Paul Ryan said the President's plan to get the government involved in health care is something Republicans can't stomach.

Paul Ryan: We don't think the government should be in control of all of this. We want people to be in control. And that at the end of the day is the big difference.

Loren Bonner: Before the summit, President Obama unveiled the health care plan that would extend coverage to 31 million people who are currently uninsured and would cost $950 billion over the next 10 years. It would introduce a new insurance regulatory body and would be financed by a mix of Medicare cuts, tax increases and new fees on health care industries. Republicans said they would only support scratching the bill and starting over. House Minority Leader John Boehner said if the Democrats are serious about a consensus, then they need to restart the process.

John Boehner: We can't do it within the framework with 2,700-page bill. That's why the bill needs to be scraped, we need to start over on those things that we can't work together on to make health care less costly for the American people.

Loren Bonner: After the summit, President Obama acknowledged that it might not be possible to reach an agreement with Republicans on a health care bill.

President Obama: I don't know frankly whether we can close that gap. And if we can't close that gap, then I suspect Mitch McConnell and Harry Reid, Nancy Pelosi and John Boehner are going to have a lot of arguments about procedures in Congress about moving forward.

Loren Bonner: Speaker of the House Nancy Pelosi said she intended to move forward on a comprehensive bill without Republicans' support and that's starting from scratch was out of the question. Both Speaker Pelosi and President Obama said they may still consider of few Republican ideas in the revised senate-passed bill. Possible areas of agreement could be on malpractice lawsuits, curbing Medicare and Medicaid fraud, reimbursing doctors more from Medicaid, and expending the use of health savings accounts. President Obama said with or without Republicans, Health Reform must go forward.

Before the Bipartisan Summit, the White House said they would consider using a legislative measure known as Budget Reconciliation to pass a health care bill. The three-step process would avoid a filibuster by Senate Republicans. The House would pass the health care bill approved in December by the senate and both chambers would agree to a separate package of changes with a simple majority vote. President Obama's top health care official Nancy-Ann DeParle said Sunday on NBC's Meet the Press that the White House was ready to move the bill forward using reconciliation.

Nancy-Ann DeParle: We are not talking about changing any rules here. All the President is talking about is do we need to address this problem and does it make sense so have a simple up or down vote on whether or not we want to fix this problem.

Loren Bonner: Republicans strongly opposed the use of Budget Reconciliation to pass health care legislation. Senate Minority Leader Mitch McConnell told the CNN's State of the Union Sunday that he and other lawmakers "do not think something of this magnitude ought to be

jammed down the throats of a public that doesn't want it through this kind of device." Other Republicans have said Budget Reconciliation won't work because it was never designed for such a significant legislation. Budget Reconciliation was established in 1974 to make it easier for the senate to pass bills that would lower the nation's deficit. Since then, it's been used to vote on other issues. Thomas Mann, a senior fellow at the Brookings Institute, said reconciliation has been used 22 times to pass major reform. He noted that parliamentary objections may be raised and getting a majority of Democrats in the House may be tough, but reconciliation has enough precedent history to make it possible for the Democrats to use it in the circumstance. Mann said that Democrats know the only way to get Health Reform passed is with democratic votes.

Thomas Mann: It's about a bipartisan rule over whether we will have Health Reform or not, and it's a Democrats' root to success and Republicans correctly see it as just that.

Loren Bonner: It's also going to be an uphill battle to get enough votes to win a simple majority in both the House and Senate. Speaker of the House Nancy Pelosi and Senate Majority Leader Harry Reid will have to persuade as many as half a dozen senators and about two dozen house members to cast a tough vote. Our guest Uwe Reinhardt is here to give us some perspective on the challenges America faces going forward.

Mark Masselli: This is Conversations on Health Care. Today, we are speaking with Uwe Reinhardt who is the James Madison Professor of Political Economy and Professor of Economics and Public Affairs at Princeton University. He is a leading health care economist. Professor Reinhardt, welcome. I am sure you were watching the Bipartisan Health Reform Summit closely last week. After almost seven hours of debate, it looks like Democrats are going to have to forge ahead on their own. White House officials are now saying that they won't pass the reform bill through a Budget Reconciliation process by Easter break. But Republicans have been arguing for an incremental approach scraping the current bill and just making modest changes directed a controlling cost. Could a scale down approach work in resolving the cost issue? Or is it just too bigger problem for a modest solution?

Uwe Reinhardt: Well, the scale down diversion for cost control, I wonder what it might be, and the reason I say that is the Republicans did have the White House and the Hill for six years. So if these things were feasible, the question does arise why didn't they do it, because it is hard to imagine that the Democrats then would have opposed cost control.

The reason they didn't and the reason this small step approach won't work is because controlling health care cost should really be understood to mean cutting other people's health care income; doctors, hospitals, pharma companies, device companies. The only way you can reduce health care spending is to reduce the mirror image of it which is the health care incomes. And those groups are extraordinarily powerful. Now, you saw the Democrats, they wanted to cut Medicare spending a little bit, not a lot, something like 6% only and against the backdrop of both Republicans and Democrats saying Medicare spending is totally out of control. And what they wanted to do is take away from the insurance industry the extra 14% of health benefit they have got from Medicare that traditional Medicare beneficiaries don't get. That seems in someway only fair. So, that's where most of the money came from. The other one came from the fact that if you had universal coverage, you didn't really need to give hospital the so-called disproportionate share money to cover the uninsured. So there wasn't really a lot of cutting. There were simply things that shouldn't have been spent to begin with. And immediately, the Republicans said oh don't do this, you will devastate the elderly, you are going to kill granny, and so on. So you see how hard it actually is to do cost control. So, when the Republicans say they want to have a stepwise proposal for cost control, I would like to know what they are, these steps. What they might come up with is to say well, people should have higher deductibles so that they make decisions on what to spend. But that's just codeword for saying we should ration health care by income class. Maybe we should do that.

Margaret Flinter: Dr. Reinhardt, while we are talking about those consumers, that could lead into a question I had based on something you have said which I think I have got this right, "Americans are like blindfolded shoppers pushed into a department store when it comes to purchasing insurance." So I think one of the questions for this year is do you think Americans have at least become better educated and more cost conscious after all the health care debates this year? And if government is not able to do anything to change the system, do you think we'll at least be better shoppers?

Uwe Reinhardt: How could you be a better shopper? Where do you get the prices? It is extraordinarily difficult to get prices. Last year, my wife took the test out how easy it is, called our Princeton Hospital and asked what would be the cost for a normal delivery of someone without health insurance who makes $70,000. And to use that number to say we are not poor and entitled to poverty or charity discount, you couldn't get the number from the hospital, it just wouldn't give to us. I couldn't get it

either. So then how do I shop around? If providers don't give me the prices, half the time, I don't know what to ask for. A student of mine here was charged $2,200 for an MRI. So I called up the radiology group that had charged them that and asked what do you charge for an MRI. And they said well what kind, do you know the code number. They wanted code numbers but how would I know code numbers. I am just an average consumer. I don't have a codebook with 7,000 codes in my hand.

Mark Masselli: Let's move from talking about cost to talking about simplification and eliminating ways. We did a piece on our show about France's Carte Vitale, a small green card that holds every French citizen's medical records, insurance information, and prescriptions and France has reportedly seen a steep drop in administrative cost related to health care. Here, we are investing billions in private sector, electronic health records and systems that so far seem to cost everyone a lot of money. Do you see any hope for more streamlined system here, more like the banking and credit card industry than the health care industry? Could we ever use something like this to streamline our rather complicated system?

Uwe Reinhardt: Well, yes, you could. Taiwan has it, Canada has it, France has it, Germany has it, all the other nations have that. In these countries, we don't have it so why don't we have it. Well, let's initially say that government stays out of it and the private insurance industry should be doing that. They should create some sort of council to have uniform cards with uniform coding and uniform claim forms, so that all of these could be computerized and be like Taiwan or Canada where you just run a little card like an American Express Card through a machine and the billing connection is set up. I know, 25 years ago, I gave a talk to a group of insurers, it was called **MEC**. They wanted to have such an electronic base and work together. It came to nothing. So, after 25 years, the private insurance industry has done ______ 15:21. Then that leaves the government to say well, the government could develop it and could mandate it. How do I know that government could develop it? Look at what Mark McClellan, when he ran the Medicare program, how quickly he developed a really first-rate electronic website for the elderly to choose among drug options. So government can do this.

Margaret Flinter: Professor, you have a very global perspective as an economist and I have heard you talk about the difference in the social compact between businesses and employees and Europe versus the United States, which is why employer-sponsored insurance is not a

secure source of health coverage for Americans. Can you tell our listeners a little more about that?

Uwe Reinhardt: Well, you see the Europeans and Canadians and Taiwanese have a fundamentally different attitude towards government. No one particularly likes it. Teenagers don't like parent either but they have their uses, and the Canadians and Germans and the Taiwanese, they recognize government sometimes is irritating but it's also largely beneficial. It is after all our own creation in the democracy. Americans have a very peculiar attitude. So when you have this, it is not possible to have a compact between government, business and the people.

Mark Masselli: We are speaking with Uwe Reinhardt, Economic Professor at Princeton, one of the country's leading health care economists. Professor, it was no surprise that we saw deep philosophical differences between the two parties during the summit. Basically, the Democrats want to give government more control over health care and the Republicans want to leave it to market forces. But neither party has said straight out this is a moral issue. We have to provide health care to all Americans. Author T.R. Reid recently said on our show that that should the central issue and the President needs to make that commitment clear and he hasn't. Would you agree with that?

Uwe Reinhardt: Well, he has, on occasion. I remember in the health care address he gave the Congress last year, there was a short passage when he did say it is a moral issue. But it is true, he hasn't generally brought it up as a moral issue. I don't know, in general, Americans have never really seen it as a moral issue, although it is basically an issue of ethics, of social ethic, meaning to what extent should I be my brother's and sister's keeper in health care.

Margaret Flinter: And Dr. Reinhardt, you have said and I think you were only partly joking that the administration's problem is they don't understand, you really need to get a high school to explain things to the American people, that we just can't quite understand large, complex policy issues like Health Reform. So, here is the challenge. If you were a high school teacher, what would you say to the American people about the Health Reform bill or about what we need to do?

Uwe Reinhardt: The first problem is you would ask the people think of the problems that you have with health insurance. You may not have health insurance now which is a problem, or you may fear getting laid off and then you would lose it which would be a problem. And one way to

solve that is to set up an insurance exchange where you can buy individually first this health insurance and if you are a low income, we will give you subsidies to help you buy this product. I think people can understand that. Secondly, you have to then set up a market where you can do this. So you can electronically or in some organized fashion see what insurance options there are, and someone has to keep the insurance companies honest. That is the second piece of the legislation. That is there among others. We don't want the system where if you are sick, your premiums are sky high. And if you are young and healthy, they are low. We want even that out. Or if not, we will have to subsidize sick people more heavily. But somehow we want to help you being able to buy private insurance. That's really 80% of what is in this health bill. But those are the two major issues. Now, if I want to give you subsidies, I've got to have the money. And where do I get the money? I can either get it by cutting other government expenditures and using those moneys to help you, or I have to raise some taxes from somebody.

Mark Masselli: Professor, when you look around the country and the world, what do you see that excites you in terms of innovation and who should our listeners of Conversation be keeping an eye on?

Uwe Reinhardt: There are two kinds of innovation. The innovation in terms of biomedical products, we are really the leaders in that. But if it comes to sort of innovation in simplifying administrative processes and some are making sure that no one falls between the crack, I would say if you look to the Netherlands, to Germany, to Taiwan, to places even in Canada where they have much lower administrative cost, we could learn a lot from them in how to run a health system. And it isn't just left wing people who say this by the way. The business roundtable who are probably solid to the right of center in the ideological spectrum, they came out with a study last year saying, for the money we Americans spend relative to Europe, we get 23% less value than we should, using Europe as a benchmark. Now, if someone from Harvard had said this, Fox would say oh this is just socialist prattle, but this was the business roundtable saying it.

Mark Masselli: Today, we have been speaking with Uwe Reinhardt, Economics Professor at Princeton and one of the country's leading health care economists. Thank you for joining us today. Each week, Conversations highlights a bright idea about how to make wellness a part of our communities into everyday lives. This week's bright idea focuses on song, something at the heart of all cultures and a powerful tool that can be used to convey crucial health care information. In the west, we

receive the majority of our health information in writing. But in many Third World Countries where the illiteracy rate is high, health officials and community organizers are responding with something most anybody can understand, song. In Cambodia, for example, many wells and rivers are contaminated. A group called Resource Development International is teaching locals about water safety with karaoke Videos. Trucks carrying karaoke equipment arrive in villages where adults and children gather to sing along to videos. In this song, they are singing about arsenic poisoning in the wells.

(Song)

Mark Masselli: The lyrics are saying that the water educator has come to test all the wells for arsenic in the village. If the well is painted green, that means that the water is safe to drink. But if the well is painted red, that means it's contaminated with arsenic and should not be used for drinking. In Mali where more than 800,000 people are infected with malaria, a song about prevention sung by local musicians has been playing on the radio. The song urges people to use insecticide treated nets. After the campaign ended in 2007, a survey found that 81% of all households had nets as opposed to 29% just a year earlier. Singers in Western India have been using street theatre to educate mothers about immunization, breastfeeding, and new born care. In these song lyrics, the message is about the power and strength of breast feeding, specifically they are saying breastfeeding protects the child from disease and should be done until the child is two years old.

(Song)

Mark Masselli: The project began in 2004, and after the first five years, researchers found that immunization of children in Western India ages 12 months to 23 months rose from 48% to 78%. Not only a song way to get a message across but throughout history, it is proven to be an effective way to learn and retain information. Singing public health care messages to save lives in developing countries, now that’s a bright idea.

Margaret Flinter: This is Conversations on Health Care. I am Margaret Flinter.

Mark Masselli: And I am Mark Masselli, peace and health.

Margaret Flinter: Conversations on Health Care, broadcast from the Campus of Wesleyan University at WESU streaming live at Wesufm.org and brought to you by the Community Health Center.