Reform Proposals

Obama Appoints Daschle to Lead
New White House Office of Health Reform

CHICAGO—President-elect Obama Dec. 11 signaled that health care reform would remain a top priority for his administration despite the growing list of economic woes facing the country, appointing former South Dakota Sen. Tom Daschle to champion the cause and establishing a new White House Office of Health Reform.

During a briefing with reporters Obama presented Daschle as his nominee for secretary of the Department of Health and Human Services. But Obama said Daschle also would serve as director of the newly created White House Office of Health Reform. The office is expected to construct the administration’s reform plan, direct it through Congress, and then implement the plan.

Obama also announced the appointment of Jeanne Lambrew, a professor of public affairs at the University of Texas and a former Clinton administration health policy strategist, as deputy director of the White House Office of Health Reform.

As he did during his campaign for the White House, Obama stressed the urgent need for health care reform. In a climate in which 45 million Americans remain uninsured, health premiums are shooting higher, and families are absorbing medical debt at a quick clip, the president-elect said the nation cannot wait for a convenient moment to solve the crisis. Obama insisted that the current crisis undermining the U.S. economy would not derail his health system reform efforts.

“Year after year, our leaders offer up detailed health care plans with great fanfare and promise, only to see them fail, derailed by Washington politics and influence peddling,” Obama told reporters. “This simply cannot continue.”

Funding Reform Initiatives. But reporters challenged Obama on his ability to implement an expensive reform plan at a time when the federal government is spending hundreds of billions of dollars to pump up the financial system and will likely spend billions more to retool the auto industry.

The president-elect’s response was unspecific and he acknowledged that he may not be able to pay for any reform initiatives through a rollback of the Bush tax cuts, which was discussed during the campaign. Obama noted, however, that he hoped to save health care dollars through efforts to “streamline” and “rationalize” the health system. In that vein, he pointed to potential savings from information technology improvements and preventive health care. He added that his administration would cut programs that fail to provide a reasonable “bang for the buck” such as the Medicare Advantage program.

Beyond these savings, Obama said his health care and economic teams would search for additional dollars to pay for his initiatives. He did not disclose how such funds would be generated.

White House Initiative, Daschle Praised. Senate Finance Committee Chairman Max Baucus (D-Mont.) said the creation of a White House-level initiative aimed at health care reform suggests comprehensive change could be achieved under Obama’s leadership. Moreover, Baucus said the choice of Daschle, the experienced and respected former Senate majority leader, suggests a powerful but practical approach to health system reform. Baucus’s committee is responsible for oversight of Medicare, Medicaid, and the State Children’s Health Insurance Program, and carries the duty of confirming the president’s HHS secretary.

“President-elect Obama’s creation of a White House Office of Health Reform is a strong affirmation that health reform is on the agenda for the Obama administration,” Baucus said in a statement. “I’ve said that reforming America’s broken health care system is my top
priority for 2009 and this office only contributes to the momentum toward success.

"I said when Senator Daschle’s name first surfaced as the nominee for Secretary of Health and Human Services that he’d be a great pick because he knows health care and he knows Congress," Baucus said.

House Ways and Means Committee Chairman Charles B. Rangel (D-N.Y.) expressed similar views with respect to the Daschle appointment.

"President-elect Obama’s selection of Senator Daschle and Dr. Lambrew to lead his efforts on health reform sends a very strong signal that he is serious about working with Congress to tackle the skyrocketing cost of care and the growing number of uninsured in America," Rangel said. "If we are to put our economy on a strong path for the future, we must solve our health care crisis."

Daschle’s appointment also won applause from the Federation of American Hospitals.

"Senator Daschle is well known in Washington and throughout the nation for his outstanding leadership skills, extensive knowledge of health policy, and his commitment to improving the nation’s health," commented FAH President Chip Kahn. "He also is a tireless advocate on behalf of achieving universal coverage, the FAH’s most important policy objective."

The appointment of Daschle as both HHS secretary and head of the White House health reform effort is seen by some as a way to centralize the new administration’s formation of health care policy under one leader.

"It shows that the new administration is being extremely thoughtful on how to organize itself to ensure cohesive health care policy development," Bill Bernstein, head of Manatt, Phelps & Phillips LLP’s national health practice, told BNA.

‘Our Largest Domestic Policy Challenge.’ For his part, Daschle said he looks forward to leading the administration’s charge on health reform. Daschle, who appeared with Obama in Chicago, noted that he is already convening a national discussion on repairing the nation’s broken health system. That activity is being coordinated through the Obama transition team’s Web site [http://www.change.gov] where thousands of Americans are sharing their views on health care.

"There is no question that fixing health care is—and has been for many years—our largest domestic policy challenge," Daschle told reporters. "We have the most expensive health care system in the world, but we are not the healthiest nation in the world. Our growing costs are unsustainable and the plight of the uninsured is unconscionable."

By Michael Bologna