

Fired up and ready to go

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As Congress returns to work, two big bills before it may determine the fate of Barack Obama's presidency—and he knows it. First, health care

“THE time for bickering is over. Now is the time for action.” With those fiery words, delivered to a special joint session of Congress on September 9th, Barack Obama made his case for reforming America's troubled health system. Coming after a legislative recess in which his efforts were demonised at town hall meetings across the country, this speech was widely seen as his best, and perhaps last, chance to rescue his most important domestic policy initiative from failure.

The speech was a success on several measures. It was passionate, which is essential if he is to win over a sceptical American public and energise his liberal base. Mr Obama has seemed professorial, even pedantic, during recent town hall meetings on health reform. This week, though, he seemed to have fire in his belly. For weeks, right-wing critics have made nonsensical but alarming claims that his reforms will lead to “death panels” and other travesties. Mr Obama's efforts to deflect such attacks by taking the high road have left many on the left cold, and confused the general public. In his speech, he denounced the right's “bogus claims” bluntly, insisting that such talk was “laughable if it weren't so cynical and irresponsible. It is a lie, plain and simple.”

The most powerful part of his speech was his invocation of Senator Edward Kennedy, the liberal giant who had championed health reform for decades before he died last month. Reading from a letter he had received from him posthumously, as his widow listened from the gallery, Mr Obama made the moral case for change: “At stake are not just the details of policy, but fundamental principles of social justice and the character of our country.”

During this passage, he cleverly reminded Americans that leading Republicans currently hostile to Democratic efforts at health reform—including Senators Orrin Hatch and John McCain—had worked hand-in-hand with Mr Kennedy on earlier, smaller efforts at health reform. That points to the second reason to think that Mr Obama's speech may yet succeed in kick-starting reform this autumn: it managed to position the president as a reasonable and moderate adult in a room full of petty and partisan ideologues.

The Republicans did not help their cause with their behaviour during his speech. Some, including their whip in the House, were caught fiddling with their BlackBerrys. Others rudely waved hand-made signs or copies of Republican health bills. And one, from South Carolina, even shouted out “You lie!” when Mr Obama insisted that his reforms would not cover illegal immigrants. (He later apologised.)

The speech positioned Mr Obama as a moderate in style and substance. He pointed out that while some on the left are demanding a single-payer system and some on the right want to abolish the system of employer-provided insurance, he considers both options too radical. He also announced a surprising idea to use executive authority to encourage state-level experiments in curbing malpractice abuses.

Mr Obama also unveiled the main elements of his own centrist reform plan for the first time. He wants to expand coverage to some 30m Americans without insurance, principally by introducing an individual mandate for cover, insurance exchanges, subsidies for the less well-off and heavy regulation of insurers. He also accepted an important proposal to tax the most lavish of insurance plans.

Crucially, he made it plain that he would not accept a health-reform bill from Congress that raises the deficit—not now, not ever. He also vowed that most of the \$900 billion his plan will cost—again, the

first time he has given a firm figure for his initiative—will come not from taxes on the rich, as the current bills in the House envision, but from internal savings to be realised within the health system.

He offers two reasons to suppose that this claim is not complete bunk. The first is the White House's support for empowering an independent panel of experts to cut costs in Medicare and other government health schemes. This matters, because Congress has shown it is incapable of making such difficult cuts. More impressive is his vow this week that any final bill must include provisions for mandatory spending cuts that would kick in if budgeted cost savings do not materialise.

Will this speech be enough to get the president's reform agenda back on track? It just might be. One reason to think so is the deft way Mr Obama signalled a willingness to compromise on the "public option" this week. The left has insisted on a government-run insurance scheme, but this ill-founded idea is strongly opposed by the health-care industry and by Republicans. It also has no hope of passing the Senate, as Max Baucus, the head of its Finance Committee, confirmed this week. Mr Obama voiced theoretical support for the idea, but by also supporting other options—including, crucially, the idea that such a plan could be triggered only if necessary later—he has, in effect, dealt it a death blow.

Several committees in the House have already passed versions of health bills, but all contain the public option and are seen as too far to the left of the Senate—and now, it is clear, of where Mr Obama stands. So all eyes are now on the Senate Finance Committee, where a "Gang of Six" led by Mr Baucus has been working to forge a moderate bill that could provide the backbone for any final health law this year. Mr Baucus this week unveiled his own \$900 billion proposal (also a moderate approach without the public option), and announced plans to finalise a bill next week.

Earlier this week that effort seemed to be flagging, as two of the Republicans in the gang, Charles Grassley and Mike Enzi, appeared to be undermining its efforts. That leaves Olympia Snowe, the free-spirited Republican from Maine, as the most courted legislator in recent memory. Mr Obama's speech and sensible proposals, which are similar to those drafted by Mr Baucus, and his openness to the trigger option favoured by Ms Snowe, can only boost efforts at compromise.

Whether it is enough to keep Ms Snowe and perhaps one or two other Republicans firmly on board remains to be seen. But even if it does not, the next few weeks could yet produce a bill that is better than anything seen thus far and which would be worth passing. He was not the first president, Mr Obama said, to take up health-care reform; but he was determined to be the last.