

# GOP Strategist: Both Parties Would Target Health Insurers

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GOP Strategist: Both Parties Would Target Health Insurers

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WASHINGTON

Though none of the currently viable presidential candidates are proposing the "single-payer" health care system that health insurers have long feared, the industry should nonetheless be prepared to be targeted by Washington regardless of which party ultimately captures the White House, Republican strategist Michael Murphy warned members of America's Health Insurance Plans.

Addressing AHIP's 2008 National Policy Forum in Washington, Murphy, who served as senior strategist to GOP front-runner Sen. John McCain during his 2000 presidential run, said the Arizona senator was just as likely as either of his potential Democratic opponents -- Sens. Hillary Clinton and Barack Obama -- to clamp down on industry profits to the extent they can be shown to contribute to the overall rise in health care costs.

"What's going to change for your industry is that the happy old days of the Republican establishment in D.C. protecting you from cost attacks are over. John McCa in is more than happy to make a deal and grind down on that stuff," Murphy said.

Intensifying the pressure to control health care costs, Murphy said, is the "ticking time bomb of entitlement spending" associated with the mass retirements of baby boomers, a development he predicts could force the federal government to institute real means-testing in the Medicare program.

"Normally, our politics shy away from this situation, but the stakes are so high, and the public interest is so strong in health care reform, it's going to be like two big freight trains of political pain colliding, and it's going to be a fascinating time to watch how the new Congress, which is going to be more Democratic, a new Senate, which is going to be more Democratic, and a new president, who will either be a reform Republican or a reform Democrat, try to handle that in a way that benefits the national interest," Murphy said.

On the Democratic side of the aisle, Obama and Clinton both have eyed structural savings from their respective health care proposals, in addition to expecting to divert funds from the expiration in 2011 of the Bush tax cuts and from ramping down U.S. occupation in Iraq. They have differed primarily on the question of an individual mandate to purchase health care, which Clinton supports and Obama opposes, and on the expected cost of the program. Clinton's campaign has estimated the cost of implementing her reform plan to cost about \$110 billion, while Obama's cost estimates run from \$50 billion to \$65 billion.

Former Gore-Lieberman 2000 campaign manager Donna Brazile, a thus-far uncommitted Democratic "superdelegate" in 2008, said the health care issue is one she expects will continue to be one of the central campaign issues for either candidate, and likely the centerpiece of an Obama or Clinton presidency.

"It's almost like a deal breaker, if somehow the Democrats manage not to make this centerpiece of the first 90 days of the new administration, if something is not put in place to enact real health care reform," Brazile said.

But author and television host Chris Matthews said for either of the Democrats to have success, it would require "some grand, sweeping, inexplicable, unpredictable, smart move," arguing that "political change does not come like in football, three yards and a cloud of dust."

"A Democrat like [House Speaker Nancy] Pelosi, a Democrat like Hillary, a Democrat like Barack, should take the template of something like Massachusetts, something like California -- a Republican structure for reform -- and I think it'll pass," Matthews said. "Unless you take something that doesn't sound left, that sounds Republican, and push it by Democrats, you won't get it done."

David Cutler, an economist with Harvard University's Kennedy School of Government, suggested that a bipartisan health care reform plan would require both liberals and conservatives to see their core values reflected in the final product, covering everyone and taking particular care of the most vulnerable populations, while also preserving market mechanisms, incentives, choice and "serious budget constraints."

"With the exception of [congressman Dennis] Kucinich, every single one of the other candidates has focused on using private markets to solve these problems, focused on having private insurance as the centerpiece of their reform proposals," Cutler said. "Now, they also want subsidies and they also want market rules, and we can argue about the wisdom of some of those market rules...but the goal is to make sure that private choice and private markets are central."

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