

April 13, 2010

TO: Interested Parties
FROM: Third Way
RE: Talking Points on Health Care Reform Bill

In this talking points memo, we suggest the top line messaging of “it’s a moderate bill” to sell health care reform. It is our observation that nearly all of the conservative critique of the legislation—the “government takeover,” “massive spending,” “runaway costs”—are meant to reinforce a 40-year stereotype of liberalism run amok.

We believe that one of the key arguments to win is over where this legislation falls on the ideological spectrum. Arguing that the legislation is moderate is both accurate and moves supporters to more easily defensible grounds. In addition, it allows supporters to use the pro-consumer attributes of the bill as proof points of its moderate leanings. That is, supporters can educate voters about “what’s in it for you?” through the argument that the bill is moderate.

How is this bill moderate?

1. Vouchers.

It provides universal coverage through a conservative, free-market delivery system—akin to a voucher program. Progressive supporters of reform use terms like tax credits and subsidies to describe the help given to low and middle income Americans to buy insurance. But these “subsidies” are little different than the housing and education vouchers championed by conservatives from Jack Kemp to Ronald Reagan to Newt Gingrich.

2. Pro-Private Insurance.

The final plan contains no government-run public plan and relies heavily on private insurance to expand coverage. Despite attacks that this legislation represents a government takeover of health care, the five largest publicly traded insurance companies have all reached, or approached, their 52-week share price high since the President signed the bill.

3. Pays for itself.

Unlike government expansion efforts under President Bush and his Republican Congress, this legislation cuts government spending and waste to pay for itself. This bill will cut our national debt by one trillion dollars over the next 20 years.

4. Free Market Choices.

A conservative free market idea—the exchange—will allow insurance to be sold across state lines and generate greater competition among insurance

companies to attract customers. Rather than limit competition, as conservatives feared, the legislation expands the power of the free market to tens of millions who now don't have it.

5. Consumer Friendly.

The bill provides a series of Good Housekeeping Seal consumer protections that conservatives readily supported. It eliminates the maddening fine print that led to insurers dropping coverage of those with pre-existing conditions, those who had a serious illness, or those who lost coverage through the loss of a job or a spouse due to death or divorce.

6. Pro-Growth.

It will lower the cost that Americans and American businesses pay for health care by several hundred billion dollars. It does so by encouraging insurance companies, hospitals, and doctors to use the most modern management techniques to cut unnecessary administrative costs. It will allow businesses and individuals to spend those savings on things that promote economic growth—like higher wages, research and development, and consumer purchases.

7. New Market Incentives.

It begins to replace the old fee-for-service payment system with a pro-market fee-for-outcome payment system. It will increase the quality of care because the payment structure of health care will no longer subsidize medical errors with generous payments.

8. Leans Pro-Life.

The Nelson Amendment, appropriately or inappropriately, moves federal law in a pro-life direction. In addition, common ground measures supported by all sides of the abortion debate, will likely reduce the prevalence of abortion by preventing unintended pregnancies and supporting pregnant women.

Whether it's Paul Krugman in *The New York Times*, Jonathan Chait, or Neera Tanden in *The New Republic*, the bill has been described (sometimes pejoratively) as moderate. It's time to own the moderate label, which is a strength and comfort to many Americans. It also has the added benefit, to paraphrase Henry Kissinger, of being true.