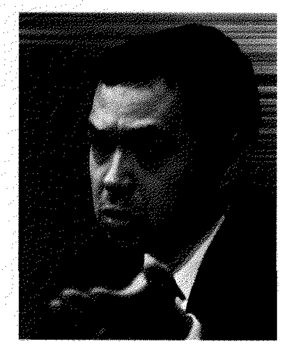
Use the Bush Failures



Miguel Estrada, repeatedly rejected by Senate Democrats as a Bush-appointed Hispanic judge.

Newscom.com/KRT

By Grover Norquist

If President George W. Bush is to win re-election with a mandate, he needs to focus more public attention on his failures.

The temptation for all Presidents and governors running for re-election is to dwell on their accomplishments. A President's campaign staff wants to argue that every challenge has been met, every promise kept, and numerous successes have been racked up.

George Bush Sr. was proud of his record of never having his veto overriden by Congress. He signed and approved every piece of legislation from 1989-92. His White House staff thought this was an asset. On an "Inside the Beltway" scorecard, he had all wins, no losses. But he also had no public record of opposition to any law, tax, or regulation in existence. He became Mr. Status Quo. Yet in November 1992, with a weak economy, the status quo was unacceptable to many voters.

Thanks to the tax cuts championed by his son President George W. Bush in 2001, 2002, and 2003, our economy is now growing—more than 7 percent in the third quarter of 2003. It would be easy and fun to campaign on this record.

But even if growth continues strongly through 2004, there will be pockets of stagnation and downturn. Democrats are already focusing on the manufacturing employment numbers. Back in 1984, Democrats attacked Reagan's job creation boom by falsely claiming that all the new jobs were for hamburger flippers, and that the economic recovery did not extend into our heartland.

President Bush should remind people that none of his tax cuts passed as he wanted them; all were watered down, delayed, made temporary. The Senate only allowed President Bush to cut the double taxation of dividend income in half rather than eliminate it. The death tax repeal and marriage penalty reduction are phased in, and are only temporary.

Should the economy slow in 2004, or employment growth lag in the manufacturing sector, the American people need to know that the Democrats defeated Bush's efforts to make tax cuts larger and permanent. It is understandable that advisers would suggest that President Bush push for a small tax cut in 2004 to maintain his "tax cut every year" record without engendering massive Democratic opposition. But a wiser move would be to design a larger tax cut targeted for manufacturing. Let the Democratic Party leadership decide if it wants to oppose a pro-jobs, pro-manufacturing stimulus.

An incumbent who is honest about his failures and frustrations is insulated from criticisms of the status quo. Reminding voters where he has been blocked is also a good way of making sure the 2004 election is not just a popularity contest or a thank-you-for-a-job-well-done, but also a mandate for future progress in a second administration.

Ronald Reagan ran for re-election in 1984 with a record of tremendous success: inflation down from double digits, 4 million new jobs created in 1983 alone, Grenada liberated, tax rates cut 25 percent across the board. He ran on the slogan, "Morning in America," and he was able to defeat Walter Mondale. But with this "mission accomplished" strategy Reagan failed to win a mandate for his second term.

President Bush should highlight the Senate Democrats' filibustering of judicial nominees, and their stymieing of tort reform. He should make a strong case that a second term for him, working with more Republican Senators, would be an agenda worth voting for.

Of course the kind of folks who get their news from cable networks like CNN, MSNBC, and FOX News already know that President Bush has fought hard for meaningful tort reform and for his judicial nominees. That accounts for 33 percent of Americans. But most Americans follow politics as if overhearing an argument conducted in a foreign language from across a crowded restaurant. It is hard to get the attention of voters who have real lives to run and choose not to study the news all day. They need to be reminded of what the Senate was doing while they were watching the World Series.

A successful 2004 election will be one that gives President Bush not just a second term but also a meaningful mandate, as well as larger majorities in both houses of Congress. The recipe: Spend the first half of the day reminding Americans that Bush kept his word and accomplished great things. Then spend the afternoon highlighting the President's failures, setbacks, and disappointments—as foisted upon him by Senate Democrats.

the Medical Economist

Money Mystery at Medicare

By Mark Hemingway

Medicare, which pays health care expenses for elderly Americans, is nearing a breaking point, with spending levels threatening to overwhelm the system sometime in the next two decades. In response to the impending crisis, Congress recently announced a whopping 13.5 percent increase next year in Medicare premiums. And, as part of the new prescription-drug benefit, Congress has decided for the first time to "means test" Medicare programs—requiring wealthier senior citizens to make higher payments.

But further compounding Medicare's looming insolvency is the prescription-drug benefit, which could add $400 billion of costs to the already overloaded program over the next decade. As a result of all this financial pressure, there is suddenly renewed interest among economists in examining the efficiency of Medicare spending.

One of the best indications that there is room for redirecting Medicare spending up or down is the fact that regional spending for Medicare across the country is wildly uneven. For years this has been explained away by localized lifestyle differences. For example, even though Utah and Nevada are adjacent states with similar climates, it doesn't take a doctor or sociologist to notice the glaring differences in lifestyle that account for Nevada's much higher rates of cancer and heart disease—which lead to higher per capita Medicare spending.

But cultural differences can't explain all of the glaring discrepancies in spending. According to a new study by John Wennberg, Elliott Fisher, and Jonathan Skinner of the Dartmouth Medical School, Medicare costs per capita are *two and a half times* as high in Miami as in Minneapolis. Say the researchers: "The difference in lifetime Medicare spending between a typical 65-year-old in Miami and one in Minneapolis is more than $50,000, equivalent to a new Lexus GS 400 with all the trimmings."

There is no difference in the prices of medical services in those two cities. Nor is there any considerable difference in levels of illness to explain such a shocking discrepancy. What *does* account for the higher spending in Miami is the heavier amount of medical services performed.

According to the Dartmouth study, this reflects differences like physicians ordering more tests, more referrals to specialists, more frequent hospitalizations, and longer stays. Discretionary decisions about whether, and how, to pursue these intangible aspects of medical care can make huge differences in total spending.

What's really stirring up controversy about the Dartmouth study, though, is not the glaring inequities in spending. Those have been known for years. The authors of this research go further. They studied health care results, and found that the additional medical care bought with the incrementally higher spending did not improve the quality of care or health outcomes.

With Medicare footing the bill, doctors and patients often opt for more treatment and elective care than they otherwise would. This happens even when more care doesn't lead to better results. "Studies...indicate no net advantage in terms of life expect-ancy for Medicare enrollees living in regions with more hospital resources (and hospitalizations) and greater care intensity as measured by more aggressive treatment patterns during the last six months of life," Wennberg, Fisher, and Skinner report. Nor did Medicare recipients with long-term illnesses such as hip fractures have better outcomes in areas that offered higher levels of medical services, the study found.

When Elliot Fisher appeared at the American Enterprise Institute to discuss his study, health care analyst Gail Wilensky argued that he hadn't paid enough attention to the decisions and demands of individual patients. "You can't talk about market based incentives and only talk about the supply," she suggested.

The vast regional differences in Medicare spending remain something of a mystery. But at least they are now being closely examined. Congress has known about these sharp differences for years, and has continued to fund Medicare without trying to figure out their cause, or whether procedures used in one region could be transferred to another to get good care for less cost.

The Medicare program spends $15 million a year—0.0038 percent of its annual budget—on operations research to unravel puzzles like this and figure out better solutions. With that kind of miniscule investment in improving the efficiency of this troubled program, it's safe to say that no one really knows how much Medicare spending is being wasted. The Dartmouth study is a hint that we need to start finding out.

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