

Introduction

Tuberculosis tormented the Nixons. When Richard was ten, doctors found a shadow on his lungs and told him to lay off sports while they watched for other symptoms. Then his brother Arthur developed a fever and began to waste away. Doctors, tests, and treatments did not help. Just before dying, the boy drifted back into consciousness and recited a little prayer: “If I should die before I wake, I pray thee, Lord, my soul to take.” The boys’ tough, abusive father broke down and wept—but not Richard, then twelve years old. He just sat in a big armchair and stared into space, silent and dry-eyed. Two years later, the disease struck still another brother: Harold, the family favorite. After private sanitariums had drained the family savings, the boys’ mother moved to Arizona with Harold, hoping the dry climate would save him. To pay the rent, she cared for other boys dying of the disease. Richard stayed behind with his father until Harold died six years later. Memories of hard times and harsh treatment, illness and loss, all stuck to Richard Nixon. They touched the way he thought about politics, bent his lonely personality, and came blurting out when he faced difficulty. In his weepy White House farewell, just before boarding a helicopter and flying away in disgrace, Nixon described his mother, exiled in Arizona and watching the boys in her care die, one after another, while she struggled—helplessly, vainly—to save her son.¹

Think about the American presidents, and *helpless* is the last word that comes to mind. Arthur Schlesinger had Richard Nixon partially in

his sights when he labeled the American presidency “imperial.” Presidents travel abroad surrounded by an extraordinary entourage—a flotilla of aircraft, a fleet of cars, a pack of dogs sniffing for bombs, and hundreds of aides, guards, cooks, valets, sharpshooters, and assistants. Once upon a time, Alexander Hamilton assured his countryman that American presidents would never resemble the king of Great Britain, the Grand Seignior, the khan of Tartary, or, as he put it, any other voluptuous potentate. But two hundred years later, the American president commands unrivaled military power and projects influence, for better or for worse, onto every corner of the planet.²

The strange truth: American presidents operate between power and frailty, surrounded by soaring ideas and lumbering institutions—atop the world, but just a step from personal and political disaster. *The Heart of Power* explores this difficult, shapeshifting office by following one issue that no modern president can duck—health care reform. Every president from Franklin Roosevelt (who took office in 1933) to George W. Bush (who stepped down in 2009) has grappled with it. Some presidents seize health reform, and others try to shun it—but, willy-nilly, it rises up every president’s agenda.

The health reform story illuminates almost every aspect of the presidency. Because health care reform is excruciatingly difficult to win, it tests presidents’ ideas, heart, luck, allies, and their skill at running the most complicated government machinery in the world.

The first surprise lies in the sheer impact of the issue. The New Deal coalition consolidated itself (under President Truman), crested (Kennedy, Johnson), and crumbled (Carter, Clinton) partially on health care. The issue proved especially important during the long downward slide. On the other side, clashes over health policy marked the Republican ascendancy from Ronald Reagan through George W. Bush. We get a whole new look at the cycles and eras—what political historians call the periodicity—of American politics when we peer through this lens. Moreover, presidents repeatedly change the way we think and talk about what has become—at \$2.2 trillion—America’s largest industry.

At the same time, this is an intensely personal story. The person in the Oval Office is a vulnerable human. Presidents get sick, take dubious drugs, get drunk, contemplate suicide, fret about ailing parents, burn with insecurities, and bury people they love. No one escapes the human condition, and nothing reveals the president’s humanity like hurt and sickness and death. Health offers a rare opportunity to match the person to the policy. Most presidents never experience hunger or homelessness;

they don't go onto the welfare rolls or end up in jail. But every one of them knows about disease and death. Often, the deep personal hurts are what move these men to commit themselves to a reform that they know is a long shot even in the best of times.

In short, *The Heart of Power* uses health as a lens on the Oval Office. It offers a fresh way to see the men, the presidency, the nation's health care policy, and the great tides of American power. Ultimately, it opens a window on America itself.

THE MEN IN THE OVAL OFFICE

The delegates to the Constitutional Convention wrangled about almost everything. But when they debated the presidency, their fevers lowered a little. After all, George Washington sat at the front of the room, serenely presiding over the meeting. The delegates knew that when it came time to elect the first president, the reluctant American Cincinnatus would be called back to civic duty. The presidency inevitably begins with biography. Only nineteen men held the office across the entire twentieth century. Their opinions, dreams, and eccentricities shaped their administrations as well as their eras.

The presidents' health offers us a look at the men behind the power. As a group, they have been distinctly unhealthy. Fifteen presidents and former presidents died during the twentieth century—eleven passed away prematurely; eight of them fell more than seven years short of the actuarial tables.³ The men endured a long litany of hurts and pains. Of course, presidents pose as stoics when it comes to their own strokes or drinking problems, but they often let themselves grow voluble about the illnesses that afflict the people they love.

Dwight Eisenhower suffered heart attacks and a stroke in the White House, but when he talked with his aides about health care, he kept returning to Mamie's mother—Mrs. Doud, as he referred to her. Her death after two hard (and expensive) sick years left his wife disconsolate. Or John Kennedy. Few presidents have been sicker or more heavily medicated. JFK took multiple painkilling injections each day to keep going, and he received the last rites of the Catholic Church four times as an adult. But nothing moved him like his father's stroke. He went before a pro-Medicare rally at Madison Square Garden in 1962—perked up by Marilyn Monroe's melting rendition of "Happy Birthday" the night before—and talked about his dad: "I visited twice, yesterday and today, in hospital, where doctors labor for a long time.... It isn't easy—it isn't

easy. He can pay his bills, but otherwise, I would be [paying].... What happens to him and to others when they put their life savings in, in a short time?" Grieving for a crippled father, he took enormous risks to advance the cause of universal health insurance for the aged—and in the process helped redefine the modern presidency. This story ends with a bitter irony: the old patriarch, Joseph Kennedy, would outlive both John and his brother Bobby.⁴

There's more to it than illness, of course. The Oval Office magnifies every quirk. The super-smart, self-righteous Jimmy Carter pored over memo after memo, scribbling esoteric corrections in the margins. George W. Bush, by way of contrast, was all efficiency; he ticked through his health care briefing books, kept his eye on the big picture, remaking Medicare to Republican specifications—but heaven help the subordinate who showed up a minute late to a meeting. In presidential politics, every aspect of the personal is political and helps shape process and outcome, success and failure.

The office, the bureaucracy, the electoral mandate, and the disposition of Congress all matter, of course. But the presidency and its policies always start with a man or a woman sitting in the president's chair.

THE IDEA MACHINE

The presidency is a great dynamo producing fresh ideas. Each incumbent can inject a small number of deeply felt views into the political process. The force of those ideas as they resonate across the nation (and within Washington) is a pretty safe gauge of an administration's vitality. Forceful presidencies offer an overarching framework—Lyndon Johnson's claim that a great society should be judged by how it treats its weakest citizens or Ronald Reagan's insistence that government is the source of our national problems—and then find policy prescriptions that reach for the vision.

Where do the big ideas come from? Presidents encounter them on the way to the White House. Ideas resonate with a president's personal experience or fire up an important constituency. They bubble up from allies, intellectuals, policy networks, think tanks, and poker buddies. Presidents control one of the world's great megaphones—as Teddy Roosevelt put it, a bully pulpit. Administrations rely on a network of policy entrepreneurs who try to hammer out ideas that connect with the public. Big ideas move political mountains because they inspire followers and sustain movements.

The sure sign of a party in decline is a larder bare of ideas. After Jimmy Carter was elected in 1976, a member of his transition team urged that the new administration assertively educate its appointees in Jimmy Carter's "goals and his philosophy." Strong presidents lead a movement, a party, or even a faction to power, but this one needed to instruct its appointees in what the president stood for. And what was that? An engineer's emphasis on efficiency, detail, and procedure.⁵

Carter's emphasis on efficient management reflects an old political temptation: replace bold ideas with policy technique. Each criticism can be met by a more sophisticated tweak or algorithm. But, as we'll see, technical adjustments never answer political challenges. Clear, bold ideas speak to the public and mobilize allies. In contrast, opponents have a field day caricaturing wonky analytic convolutions. In 1986, for example, Doc Bowen—as President Ronald Reagan affectionately called his wily secretary of Health and Human Services—wanted to expand Medicare. The administration's economists scrambled to float a more market-friendly alternative (with the assistance of the pro-market Heritage Foundation). At a Cabinet meeting held to discuss Doc Bowen's proposal, the chairman of the Council of Economic Advisors, Beryl Sprinkel, floated a hastily designed voucher plan that he claimed would be far truer to the administration's emphasis on restoring markets. In response, Secretary Bowen whipped out his pen and drawled, "Now, let me see if I got this right." He began to draw lines reflecting the voucher plan's money trail: from the government to the insurer to the elderly to the provider—line, line, line, line. He kept going—exaggerating a bit, he later confessed—and soon had his paper covered with lines, and the entire room, including the president, chuckling over the whole convoluted voucher thing. A decade later everyone had learned that trick—line, line, line, line—in time to ridicule Bill Clinton's better health care mousetrap.⁶

The urge to build a more efficient, technically correct program has its roots in the Progressive era at the turn of the last century. The Progressives imagined that good technique produced good government—there was no Democratic or Republican way to pave a street, they said; rather, the right way to do a job was to get beyond politics and focus on doing it efficiently. Party politicians developed a derogatory term for the good government dreamers—goo-goos—but the old neoprogressive dream never dies. We'll see the goo-goo illusion alive and well in health care. It inspired Jimmy Carter. And, though politics buried the Carter plan, Bill Clinton cheerfully disinterred the old impulse fifteen years later, linked

it to his dream of a third way (neither bleeding-heart liberal nor harsh conservative), and put it at the center of his own run at health reform. Efficiency is a good thing, but it doesn't win political debates or rouse popular support.

As political historian Stephen Skowronek has argued, an emphasis on technique above all else is the sign of a party coalition in decline. Efficient process is no substitute for bold ideas. And it is never a winning strategy in the health care debates.⁷

The mistake is compounded by presidents who are too eager to delve into the details. Throughout the seventy-five-year history detailed in the following pages, there isn't a single example of a president who succeeded by leaping into the wonky debates. "I trust you on the details," said Lyndon Johnson, again and again, as congressional leaders and White House aides hammered out the details of the Medicare program.⁸ Johnson knew there was an indispensable role that only he could play: he could best publicize the idea, build support, jawbone interest groups into line, and organize (and lobby) the congressional coalition. When reporters asked Senator George Smathers (D-FL) why he had switched his vote and salvaged the administration's Medicare proposal in 1964, he responded, simply, "Lyndon told me to."⁹ Presidents win complicated reforms by doing what the office of the presidency is uniquely designed for—publicizing and persuading. We'll watch more than one president squander that advantage by posing as an expert.

There is, of course, a danger at the other extreme—that of the disengaged executive. The president chooses his analysts, gives them directions, and decides when the debate is over. The staff always knows when the boss has lost interest—and the issue, no matter how well staffed, is probably doomed. During the fading days of George H. W. Bush's presidency, health care aides in the policy boiler room despaired over their inability to turn the boss's attention to an issue that was gripping the American public.

And there is no premium on newness. Many innovations take time to mature and gather popular momentum. The voucher plan that Doc Bowen so neatly dispatched eventually returned. The two Bush presidencies introduced reforms based on the same logic, each one more carefully worked out than the last and tucked into a larger vision that celebrated markets by offering each individual a choice among private insurance plans. A rising Republican coalition, made possible by Reagan's own successes, treated the notion more respectfully than Reagan or his Cabinet had done.

More than any other political office in America, the presidency rises and falls on ideas. Richard Neustadt, the dean of presidential studies, once noted that the power of the presidency is the power to persuade. It is that and more: it is the power to put something new before the public eye, to take a little-known notion and get the whole nation talking about it. And in the debate over health care there is no greater force.

THE INFERNAL MACHINERY OF GOVERNMENT: THE WHITE HOUSE AS AN INSTITUTION

In the middle of his first foreign policy crisis, Jack Kennedy mused in a late-night telephone call, “It really is true that foreign affairs is the only important issue for a president to handle, isn’t it? I mean, who gives a shit if the minimum wage is \$1.15 or \$1.25 in comparison to something like this?” Most presidents prefer dealing with foreign policy because it offers them the elbow room for bold decisions backed by broad constitutional powers.¹⁰

By way of contrast, winning that dime on the minimum wage took a knock-down free-for-all with congressional barons. Kennedy had to win a cliffhanger vote to reconstruct the House Rules Committee, which he then stocked with allies who in turn voted to permit his minimum wage proposal to reach the floor of Congress, where, with hard work and a bit of luck, he cobbled together a majority made up of liberal Democrats from the North, conservative Democrats from Dixie, and the occasional Republican. Moreover, threading that political needle took a savvy congressional liaison office that knew which arms to twist and what promises to make.

All of which raises the essential point: there is no owner’s manual for running the White House. The Constitution barely defines the job: it gives Congress a detailed role and specific powers but leaves the president brief instructions dominated by an enigmatic phrase: “The executive power shall be vested in a President.” What exactly does that mean? The founders did not say, for the most part. The presidency has to be defined through action. As we follow the health care issue from Franklin D. Roosevelt to George W. Bush, we will see four powerful institutional trends shaping and reshaping the presidency.

Rising Economists

The most dramatic development is the growing economic infrastructure that advises, empowers, and profoundly limits the president. From the

Council of Economic Advisors (established in 1946) to the Office of Management and Budget (established in 1970), the presidents' fiscal tools have grown deeper and ever more sophisticated. In theory, this gives the White House greater control over the federal leviathan. But in practice something quite different is also happening. The presidents' ability to introduce bold health reforms is increasingly constrained by economists buzzing in their ears.

The result is a tension between visionary social reform and economic policy. Dreams of universal coverage—whether Democratic or Republican—face off against the green-eye-shaded battalions whose influence grows from one administration to the next. The entire presidency has been reshaped by this powerful trend.

We can mark the contrast by observing Lyndon Johnson's cavalier attitude toward finance during the Medicare debate in 1964: "Don't ever argue with me ... on health or education," he hectored Vice President Hubert Humphrey (this from a marvelous trove of recently released White House tapes). "I'll go a hundred million or a billion on health or education. I don't argue about that any more than I argue about Lady Bird buying flour. You got to have flour and coffee in your house and education and health. I'll spend the goddamn money." Down-home domestic metaphors took the place of economic models.¹¹

Johnson drove his fuzzy economics lesson home when he gave a newly elected Senator from Massachusetts named Ted Kennedy (D-MA), pointers on pushing a bill through Congress without getting tangled up in the finances. Johnson cited Medicare as an example: "The fools had to go to projecting it down the road five or six years, and when you project it, the first year it runs 900 million." The long-term projections, complained Johnson, meant nothing but political headaches for him. "The first thing, Senator Dick Russell (D-GA) comes running in, says, 'My God, you've got a one billion dollar [estimate] for next year on health. Therefore I'm against any of it now.'" ¹²

Medicare's soaring costs would soon make Johnson's blithe attitude seem reckless, but his comments signal a hard reality worth pondering: Johnson, like Kennedy before him, low-balled the numbers and evaded economic projections to smooth the passage of his program. An honest economic forecast would very likely have sunk Medicare.

The heretical lesson is one that we will encounter in every administration, with few exceptions to the rule: expanding health insurance never fits the budget, and it never squares with the economic program. For more than sixty years, from Harry Truman's administration in 1945

to George W. Bush's in 2003, not a single economic team signed on happily to an extension of health care benefits. The lesson is simple: presidents who wish to expand health insurance have to hush their economists. Over the years, we'll see each man react in a different way when the economics team troops into the Oval Office and says "No, you can't, Mr. President."

But hushing the economists gets more difficult as time goes on. The economic regime is more and more firmly entrenched in the Oval Office. The rules grow more stringent and the tools more effective. Presidents can still overrule their dismal scientists—as both Ronald Reagan and George W. Bush did. But, for good or ill, doing so grows harder and harder, requiring more nerve and more political capital.

Power Flows to the Center

The economists' growing clout reflects another trend: power flows from the Cabinet Agencies to the White House. In the 1950s, President Eisenhower penned courteous letters to his Cabinet members—weighing their opinions, waiting on their consensus, and carefully justifying decisions to the losing secretary. Ten years later, President Lyndon Johnson pushed the Cabinet aside in his voracious quest for social policy breakthroughs. White House staff members, led by Joseph Califano, designed the Model Cities program without even informing Luther Hodges, the secretary of Housing and Urban Development, until the last minute. When Califano finally briefed the secretary, Hodges enthusiastically promised to analyze the program and return with suggestions—only to learn that the president was unveiling the plan that very afternoon. The secretary had no knowledge of a program constructed on his own organizational turf. "Lyndon Johnson's cabinet meetings," quipped Califano to us in an interview, "were just tea parties."¹³

The tide of political power continued to flow to the White House during the administrations that followed. Richard Nixon fiercely upped the ante: "If we don't get rid of these people," he said, speaking of the liberals populating the Cabinet Agencies, "they will sit back on their well-paid asses and wait for the next election to bring back their old bosses." The solution? More power and control to the White House. Nixon injected something new—the permanent campaign. The distinction between political staff and nonpartisan experts began to evaporate and the White House turned all political all the time. The number of White House staff peaked under Nixon, who employed

over six hundred officials. President Carter, who won the next election in the backlash against Nixon, moved to reestablish Cabinet government—but that didn't keep him from sacking five Cabinet members in a single week when the going got hard. Joseph Califano, the secretary of Health, Education, and Welfare—and the most prominent liberal head to roll—wryly amended his observation about the declining Cabinet: “Now,” he told us, “the Cabinet meetings became tea parties without the tea.”¹⁴

Each president comes to office with a different idea about the role of the Cabinet and exactly how much authority should rest there. Watching the health care debate illuminates the underlying trend: increasing control from the White House. Occasional attempts at restoring the balance of power have done little to arrest the centralization of executive power around the president.¹⁵

Organizing the White House

But just what does the White House look like in action? The political parties differ dramatically. Franklin Roosevelt left the modern Democrats an ambiguous legacy when he surrounded himself with gifted intellectuals, assigned overlapping tasks, and gave them license to move from issue to issue. In theory, the loose organization stimulated creativity and bold new ideas—in stark contrast (as the Democrats see it) to the stifling, unimaginative conformity of Republican administrations. President Bill Clinton, the latest heir of FDR's free-form organization, imagined that he might resolve disputes about his health plan by sponsoring formal debates. A skeptical press was soon jeering this as Clinton's Oxford on the Potomac. In sharp contrast, Republicans hew to the solid, unambiguous organizational design of a traditional B-school primer—no ambiguous dotted lines or overlapping functions on their personnel charts.

Each style has advantages and drawbacks—the many subtle trade-offs between careful control and creative chaos. But across the eleven administrations we follow, there is one hubristic reflex (typical of Democrats) that always leads to trouble. No modern president has successfully acted as his own chief of staff. There is no getting around the need for a strong, talented, competent administrator familiar with the levers of power. The chief of staff is indispensable for directing traffic, overseeing process, and following decisions to ensure that they are understood and implemented.

Jimmy Carter's effort to abolish the role—he did not want a functionary between him and his subordinates—illustrated the many pitfalls in the practice. For example, participants at the same health meeting often disagreed on what had been decided. Without a chief of staff, no one was on hand to sort out rival interpretations. The matter had to sit and wait until the president had time to revisit it. The stuffed inbox kept the president focused on day-to-day management—and exacerbated his own predisposition to neglect the big picture. To rephrase the old saw, a president who acts as his own chief of staff has a fool for a boss.

Leadership

As presidents struggle with the health care octopus—highly personal, politically perilous, technically complicated—they cast light on that most elusive of things: the nature of leadership. Two skills are especially important—going public and playing the insider game.

Roosevelt understood the power of going public. When members of his staff pushed for Social Security amendments that would guarantee health insurance in 1943, he stopped them. “The only person who can explain this health thing to the people,” he said “is me.” He did not have the breathing space in the middle of World War II, but he promised his staff that he’d go public for health insurance in his fourth term—although with the cagey Roosevelt nothing was ever certain. Roosevelt had put his finger on the big job: explaining “this health insurance thing to the people.” A president advocating a big and complicated change such as health reform must generate a wave of telegrams, letters, and phone calls (and, nowadays, e-mails, text messages, blogs, and tweets).¹⁶

Until the 1960s, no president took Roosevelt's advice. FDR himself never committed. One of the great mysteries about Harry Truman was why he never threw himself wholeheartedly into the national health insurance battle that he cared so much about. On his whistle-stop train tour during the 1948 election campaign, he developed a short, tough, choppy, extemporaneous, effective speaking style that he honed in speech after speech, hour after exhausting hour. When he introduced national health care after his surprise victory, he told the press that if opponents blocked his bill, he was going to get back on the train and take the case to the people. Advocates pleaded, allies waited, and the press asked about it at every opportunity. But Truman, despite coy hints, remained mysteriously silent about this signature program. Health insurance—always a very long shot—had no chance without vigorous White House leadership.

John F. Kennedy finally took the issue public. Just days after his inauguration, the charismatic Kennedy held the first televised press conference, and it was a smash—an estimated 65 million people tuned in. His approval ratings went through the roof—up to 75 percent—and barely budged for sixteen months. The presidency would never be the same. When it came to health care, Kennedy used the same skills and all the media power of the presidency—campaign-style—on a single policy. He rolled out this strategy for Medicare. “Presidents have tried to marshal public opinion before this for a favored and politically potent bill,” commented the *New York Times*, “but probably never on such a scale as has Mr. Kennedy for health insurance.”¹⁷

President Kennedy set the pattern. Building support for a policy is something presidents are uniquely positioned to do. Kennedy did it brilliantly, Ronald Reagan almost without effort. Others—such as Richard Nixon—recoiled at the idea. Still others—for example, George Herbert Walker Bush—proved stone-deaf to the chords that moved the public. Going public is a major weapon in the policy process and a significant test of presidential skill and leadership.

But then there is the inside game—running the complicated machinery of American government. There’s nothing like health care to illustrate just how hard it is to drive action through the system, and nothing differentiates the presidents more dramatically than their skill at managing government—especially Congress. Lyndon Johnson was the master of the process in his triumphant first two years. In chapter 5, we retell the story of Medicare’s passage, relying on recently released tapes and documents. Our revision offers a daunting example of the skills this president employed to win reform.

The traditional Medicare story turns on Representative Wilbur Mills (D-AR). Mills, the powerful chairman of the House Ways and Means Committee, had long bottled up the Medicare proposal. The 1964 landslide, however, swept more than forty liberal Democrats into Congress—and pushed out three veteran Ways and Means naysayers. Now, concluded Theodore Marmor, Medicare’s backers enjoyed “the politics of legislative certainty.” Representative Mills, continues the standard story, faced up to the inevitable and adroitly switched sides. He took the administration bill (which covered hospital costs for the elderly), attached it to a rival Republican bill (which covered health care costs for poor people, now called Medicaid) and, on top of that, included the American Medical Association bill (which covered physician costs for the elderly). No one but the brilliant Wilbur Mills had

imagined that the three rival bills might be combined. Even President Lyndon Johnson could only stand on the sideline and admire the master legislator as Mills took a modest proposal and built the Medicare and Medicaid programs out of it.¹⁸

Lyndon Johnson himself repeated this minimalist story in his own autobiography and spiced it up with a tangy Texas anecdote. After Mills had stunned the closed session of Ways and Means with his “bomb-shell,” the chief White House health aide, Wilbur Cohen, rushed back to get President Johnson’s reaction. The new proposal would cost an additional \$500 million in the first year. What should the administration do? Johnson replied, “Well, I guess I’ll run and get my brother.” Seeing that his aide was bewildered, the president elaborated:

Well, I remember one time they were giving a test to a fellow who was going to be a switchman on the railroad, giving him an intelligence test, and they said, “What would you do if a train was coming east going sixty miles per hour, and you looked over your shoulder and another one was coming from the west going sixty miles an hour?” And the fellow said, “I’d go get my brother.” And they said, “Why would you get your brother?” And he said, “Because he hasn’t ever seen a train wreck.”¹⁹

Thus instructed to accept Mills’s bold proposal—and damn the costs—Wilbur Cohen returned to Capitol Hill and gave the chairman the green light. Medicare and Medicaid were soon born. President Johnson, the cheering bystander, summed up the story himself: “Chairman Wilbur Mills, so long the villain of the act, was now a hero to the old folks.”²⁰

Except it did not exactly happen that way. We now know—through extensive White House telephone tapes and memos—that LBJ cooked up the entire coup with Mills. For fourteen months, Johnson harassed Mills about expanding Medicare—calling him in his office and even catching him with a phone call as he was walking onto the House floor. Lyndon constantly repeated his message: pass Medicare (which he called the Mills Bill), make it bigger and more ambitious, and—always the same promise—all the praise and honor would go to the ambitious Mills. Johnson and Mills had repeatedly discussed versions of the “three-layer cake” that Mills dramatically sprang on the committee—knowing full well that LBJ would back it.

Nor did it end there. “Johnson always acted,” Wilbur Cohen later testified, “like he was still running the Congress.”²¹ He was like a super-majority leader, unabashedly instructing the legislators on the best way to do their jobs. For example, after Mills maneuvered the newly

expanded Medicare package through Ways and Means, he gathered with House leaders to call Johnson with the good news. Johnson was already looking to the next potential trap. He wanted them to move fast. The Rules committee might bottle up the bill and give opponents a chance to mobilize. LBJ gave them a memorable talking to, as he asked to speak first to one, then the other: “For God sakes, don’t let dead cats stand on your porch. Mr. Rayburn [Sam Rayburn (D-TX), former House speaker and Johnson mentor] used to say: ‘they stunk and they stunk and they stunk.’ When you get one [of your bills] out of your committee, you call that son of a bitch up before they [the opposition] can get their letters written.”²²

Days after this call, Johnson cleared another hurdle for Medicare in the Senate, where the chairman of the Senate Finance Committee, Senator Harry Byrd (D-VA), remained a firm opponent who might try to bottle Medicare in his own committee. In a legendary ambush, Johnson invited Byrd to the White House for an “extremely important” and sensitive meeting and then, after talking to House and Senate leaders behind closed doors, ushered them all into an unexpected press conference. With TV cameras rolling, Johnson talked about the successful movement of Medicare through the House Ways and Means committee, then turned to Byrd and asked the surprised senator whether there was anything preventing the Senate Finance Committee from quickly holding hearings on Medicare. Byrd tried to evade a direct answer, but Johnson pinned him down, squeezed his arm, and not so gently pressured him before the rolling cameras. Byrd, who was more at home in the Senate hallways than before a national audience, reluctantly stammered that there would be no delay in acting on the bill. Afterward, the hijacked senator commented ruefully, “If I had known what you had in mind, I would have dressed more formally.”²³

Years later, an interviewer asked Representative Mills whether another president—say, Kennedy—could have gotten LBJ’s Great Society through Congress. Mills was unambiguous: “No. No, and that’s where Johnson doesn’t get the credit [he deserves]. He had the greatest ability of any president to get things done.”²⁴

From an insider such as Wilbur Mills, that was the highest praise. Within a decade, presidential candidates would base their campaigns on the boast that they were outsiders, uncorrupted by Washington’s ways. But that shift in the path to the White House does not diminish Wilbur Mills’s metric for weighing administrations: the president’s ability “to get things done.”

AMERICAN PATHS TO HEALTH SECURITY

Health care and old-age pensions lie at the heart of every welfare state. They touch more of the population than perhaps any other aspect of government. In the United States, old-age benefits—Social Security—have been remarkably stable, but health care changes constantly—always an issue marked by boisterous arguments, surprising twists, and unexpected turns.

On the surface, the question is simple—even boring: how do we get health insurance to those who don't have it? How do we protect it for those who do? The debate has always been about how to do the job best. Beneath the consensus, however, lies the most enduring divide in American social policy: how do we balance markets and governments to achieve a common good? The presidents' health policies have repeatedly engaged this contentious dialogue.

The long health care debate breaks down into three eras, each with its own model of health care rooted in a different vision of politics and market. Naturally, the concepts overlap. But each is analytically distinctive, each rests on a different philosophy, and each reflects the spirit of its time. We might summarize the three approaches as robust government, a mix of government and market, and robust markets.

Social Security

In the 1930s, liberals imagined a universal right to health care secured by a national, compulsory insurance plan—Social Security extended to medical care. President Roosevelt tapped experts who enthusiastically staffed committees, studied the issue, and devised plans. Three different rounds (1934–35, 1938–39, and 1944–45) each produced a vague draft of three national health proposals. An enigmatic president organized the studies, encouraged the advocates and, in the end, always put the health care battle off for another day. The final commission, hard at work when FDR died, delivered its report to Harry Truman, who plucked up Roosevelt's standard and made the reform, by his own admission, the great lost cause of his life. Liberal Democrats turned national health insurance into the New Deal's unfinished legacy. They would fervently pursue it for the next thirty years; some pursue it to this day.

Conservative southern Democrats were less enthusiastic and quietly demurred when it came to the Social Security model for health care. Part of the problem lay in the threat to southern segregation. What would a universal, federal program mean for southern hospitals? The

idea reverberated with black entitlement and even racial integration. Better, they argued, to target government health insurance (and, for that matter, any welfare program) at poor people, and to put the reliable (meaning segregationist) state governments in charge. That more minimal approach might even attract Republican votes.

Through the 1940s, 1950s, and early 1960s, Democrats pushed their government health insurance. Liberals lined up behind Social Security entitlements—first for everyone, later for the elderly—and conservative Democrats touted welfare programs. Critics denounced it all as un-American and socialistic: big government run amuck. By the Kennedy administration, however, the liberals had worked out an effective countercharge: their opponents had fought against the now-beloved Social Security Program.

From the 1940s through the mid-1960s, Americans debated the issue in a distinctly New Deal frame—the language of rights and robust government sound quite foreign to the contemporary ear. Defensive Republicans sometimes acknowledged the liberal spirit of the age. “We know that the American people will not long be denied access to adequate medical facilities,” warned the lone Republican President of the era, Dwight D. Eisenhower, as he scrambled to find “a logical alternative to socialized medicine.”²⁵

The Social Security model lingers among liberals—known, today, by the tone-deaf label “*single-payer model*” or the wistful “*Medicare for all*.” As a real force in the Potomac debates, however, the Social Security model was last seen in the 1970s—when it was eclipsed by a mixed approach sold as the American Way.

The American Way

Americans eventually hashed out an alternative to direct government action: public policies operating through private institutions. The Eisenhower administration made the crucial breakthrough—barely noticed at the time—when it waived the income tax on employer-sponsored health insurance premiums. This created a clear incentive to provide health insurance—higher salaries mean more taxes, but higher insurance premiums are tax-free (the change locked in place an increasingly shaky IRS ruling from the previous decade). An enormous federal government tax expenditure, which today totals over \$200 billion dollars a year, shifted the main burden of health insurance from the shoulders of the government (where Truman thought it

belonged) to the backs of business (where the Eisenhower administration pushed it).

Social scientists call the result a shadow welfare state. Obscure government regulations (buried in the tax code) nudge private organizations (such as employers) to take over social welfare functions (most notably, health insurance). In the traditional welfare state, government offers benefits directly to the citizens—the Social Security approach, which remains the European model to this day. In the United States, government tries to achieve the same goals while operating in the shadows, inducing private institutions such as employers and insurance companies to provide social welfare benefits.²⁶ Of course, that's not the language that ushered in this innovation. In the great health insurance debates of the 1950s, the proponents simply tagged it *the American Way*.

Eisenhower thought the approach could be extended beyond full-time workers. Why not use government dollars to induce private insurance companies to cover the poor and the old? That, however, was pushing the shadow welfare state a bit too far for the Republicans of the 1950s. As Eisenhower had warned his party, in the next decade the Social Security model won the contest to cover the elderly (through Medicare), and the conservative Democratic variation, a welfare-style program, insured the poor (through Medicaid). These popular but shockingly expensive policies proved to be the crest of the Social Security model.

Richard Nixon—often invoking the brothers he lost to tuberculosis—fixed the public-private alternative firmly into place. As vice president (1953–61), he helped lead the Eisenhower administration's charge toward Republican-style insurance programs. As president (1969–74), he proposed national health insurance constructed around employers; government would simply fill in the gaps. The Nixon administration also introduced and popularized HMOs as a way to inject efficiency and cost control into American health care. Nixon himself always seemed as enthusiastic demolishing the Social Security approach—synonymous, in his mind, with Senator Ted Kennedy of Massachusetts—as he was about achieving his own reform. He was the first Republican president to accept the premise that all Americans should have health insurance, but he ridiculed the liberal folly of wrecking the entire private insurance system merely to cover the minority of Americans who lived without insurance. In this he succeeded. No administration—in fact, no presidential nominee from either party—would again propose national health insurance provided directly by the government.

Nixon's plan came close. Even as the Watergate scandal engulfed him, his administration negotiated furiously with the Democrats in an effort to win his national health insurance program. The chief Democratic staffer on Ways and Means would always recall the last gasp of the effort. He was standing in the urinal outside the conference room of the Ways and Means Committee on the day of the big vote. Chairman Wilbur Mills pulled up in the adjacent urinal, turned to his aide, and said, with a sigh, "Bill, we don't have the votes. Maybe next year." In fact, the committee approved the Nixon-Mills proposal by a 16-15 vote—the first time that the Committee on Ways and Means of the U.S. House of Representatives had ever approved a comprehensive health insurance program.²⁷

The failed Nixon plan would become nothing less than the official Democratic policy wish. Every subsequent Democratic presidential nominee would offer variations of Richard Nixon's plan—filling in the gaps around employer-provided health insurance. Only two Democrats, Carter and Clinton, actually won the Oval Office in the thirty-four years after Nixon's administration fell in the summer of 1974. Each embraced national health insurance, each sponsored a variation of the Nixon plan, and each lavished as much attention on cost control and systems efficiency as on expanding health care coverage. When Barak Obama won the White House in 2008, his health plan offered another variation of the Nixon idea.

Why have Democrats wandered so far from their New Deal roots in Social Security? In part, they have been responding to the brute pressure of rising health care costs. In part, they have been handcuffed by economists' mental models and scoring algorithms. In part, they have been hamstrung by shifting political conditions. By the end of the Nixon administration, the New Deal and its coalition had vanished into history. A rising Republican era—signaled, perhaps, by California's Proposition 13 in 1978 (the start of the antitax rebellion) and solidified by Ronald Reagan's reelection landslide in 1984—rewrote American politics. Democrats now touted what had once been a Republican perspective. And the Republicans themselves moved on to a still more forceful embrace of individual choice and private markets.

The Market Unleashed

Republicans finally shook off the New Deal and began to forge their own governing philosophy with the rise of Ronald Reagan in the 1980s.

There is a common view that they rode a backlash against the welfare state into power and have simply tried to slash all programs ever since. A close look at the presidents, as they grapple with health care, gives rise to a more subtle perspective. With time, the Republicans have aimed not merely to demolish social welfare benefits, but to reconstruct them so that they reflect essential Republican principles. This means withdrawing support for the Eisenhower and Nixon era compromises, which accepted a forceful role for government in promoting security—the ultimate New Deal goal. Instead, the rising Republicans believe in something entirely different: the power of individuals taking risks in an open market.

The first efforts, during the Reagan administration, were marked by enthusiastic pratfalls. David Stockman got the old man's blessing to carve billions out of Social Security—the “original sin” of big government—and watched the president's approval rating plunge 16 percentage points in the ensuing outcry. Conservative economists in the Cabinet had no better luck floating their health care voucher plan to head off Doc Bowen.

Over time, however, the advocates refined their promarket approach. They aimed to drag Medicare out of the Social Security mindset—according to which government simply doles out the payments to health providers. Their alternative, enthusiastically supported by George W. Bush, sought to force the old program into the new age of economic competition: beneficiaries would choose among different plans that—in good market fashion—prospered or perished by how well they served their customers. Thus President George W. Bush managed the single largest expansion in Medicare history, hoping to use the new benefits to win market reforms.

The same market logic pushes Republicans, such as President George W. Bush and Republican nominee John McCain, to try to repeal the Eisenhower tax break. Give individuals their own personal tax credits and let them go to market and make their own insurance purchases (with limits on the tax break so people don't spend too much on health insurance). From this perspective, the market will wring out the excesses that have so long bedeviled health care. The new Republican idea, encapsulated in the Bush concept of the “ownership society,” envisions a world in which individuals take responsibility for all the critical choices that shape their fate, including the generosity of their health benefits and their retirement security. Government, and even private intermediaries such as employers, should get out of the way.

Peering Ahead

Today, health care policy offers quite a dramatic choice. Republicans strive—at least until the market meltdown of 2008, with great verve and self-confidence—to remake government programs, employer benefits, and personal health care options. They challenge the logic of shared risk and long-term security. Instead, they want to push us all into the competitive marketplace.

Democrats resist. They know what they oppose: the race toward markets, the destruction of social solidarity, the loss of shared risk. But what, exactly, are they for? Democrats have yet to coalesce around a clear alternative to the call for markets. If there is one irresistible lesson that emerges from the chapters that follow, it is this: no one can introduce a fresh vision like the person in the Oval Office.

Every president changes the conversation about health care in America. Presidents can snatch an idea—from interest groups, from advocates, from business leaders, from some faceless technocrat in a distant state—and inject it into the bloodstream of national debate. Some presidents manage to make minor adjustments to the way we think about the issue; others shift the entire paradigm. As we haunted the archives, we were often surprised to see which presidents made the greatest impact. But every one of them, from FDR to W., had some effect, whether large or small.

We follow the health care presidency across seventy years, from Franklin D. Roosevelt to George W. Bush. In each chapter, we investigate a major health policy episode in the context of the man, the times, and the administration. We pose the same questions about each administration: What are the secrets of success? What snares await the presidents as, inevitably, they confront this issue? The answers are embedded in every page that follows. We summarize the most important dos and don'ts—our recommendations for presidents pursuing health reform—in the final chapter.

But, most of all, we come away impressed with the drama: every president has a health story. Every president has felt the power of illness to inflict pain and suffering on those he loves. In the Oval Office, the presidents' personal health care experiences have become entangled with the great ideological and political currents of their times. And there, at the heart of power, health and politics mix, shaping the future of our health care system and of our nation itself.