members of Congress have had questions about the unique functions of AHRQ today. As an example, comparative effectiveness research was first developed as an idea at AHRQ, but under the Affordable Care Act, comparative effectiveness research moved to the Patient-Centered Outcomes Research Institute, so some questioned if AHRQ was still needed. But of course, comparative effectiveness research is just one element of AHRQ. Similarly, AHRQ has talked about translating research findings into practice, and the NIH has talked about "translational research," which can lead to misunderstandings about whether similar work is going on in 2 places.

So I'm trying to make sure that members of Congress and their staffs understand AHRQ's unique contributions. There is no other federal agency that has AHRQ's mission to improve quality and safety, to think about equity and access and affordability. This is really AHRQ's unique function, so I feel being able to communicate about that is very important and hopefully will contribute to members of Congress feeling more confident they are not funding a redundant agency.

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The JAMA Forum

Health and Taxes

David M. Cutler, PhD

Health care shows up on the political agenda in 2 very different ways, as a social issue and a budget issue. These 2 views prompt very different sets of questions and also shape how the 2 major political parties focus their respective efforts in the health care arena.

Viewing health care through the lens of a social issue prompts such questions as: What policies would best improve the population's health? How can report cards be used to improve the quality of surgery? Where are there opportunities for additional disease prevention? The questions here are intricate and detailed. Some of the issues are clinical, and advice from physicians is actively sought and welcomed. For example, no one would develop a pay-for-performance system for surgeons without extensive involvement of the relevant surgical societies. Other issues are environmental, and physicians (unfortunately) have had less to say. Despite the important role of physicians in encouraging smoking cessation and reducing unnecessary prescriptions of opiate medications, in terms of policy efforts to reduce tobacco consumption and cut back on addictive medications, the physician community as a whole has mostly ceded this work to public health specialists. Still, the goal in both disease management and public health is squarely on health as the important outcome.

Viewing health care through a budgetary lens puts the focus on a different set of questions. If one wants to balance the federal budget, is it better to cut Medicare spending or reduce education spending? How can Medicaid dollars be directed to other priorities? These discussions are economic in nature, and physicians are rarely consulted.

Health care now accounts for one-quarter of the federal budget. Only Social Security involves a comparable share of spending. By comparison, the entirety of federal spending on education, the environment, and energy is only 4% of the federal budget. For this reason, over time, budgetary discussions about health care have increased relative to social discussions.

Investment Opportunity or Piggy Bank?

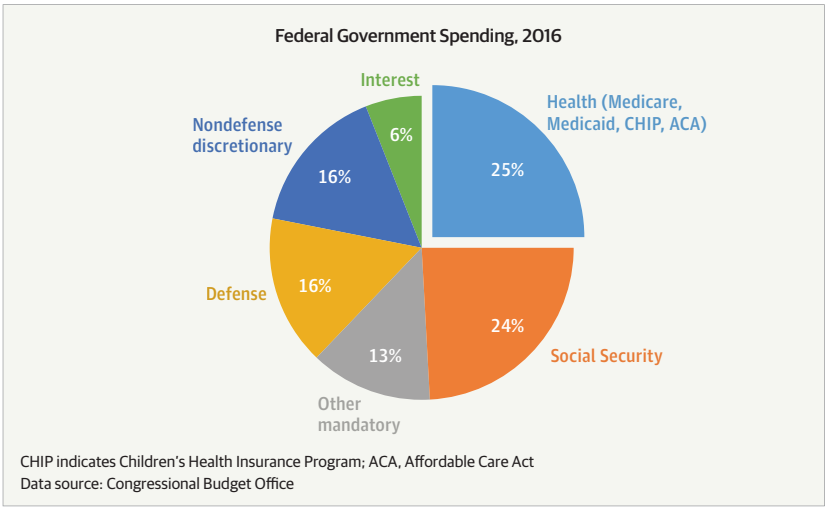
The dichotomy between health care as a social or budget issue is the key to understanding why the political parties have the views on health care that they do. For Democrats, health care is primarily a social issue, and one where there are many investment opportunities. Thus, the Democratic platform calls for expanded subsidies for health insurance, capping cost sharing for prescription drugs, expanding community health centers, and ensuring greater access to mental health services. Of course, these policies cost money. Hillary Clinton proposes to pay for these costs with increased taxes on high-income individuals.

The Republican platform, in contrast, focuses most of its health care attention on reducing federal spending. It calls for eliminating Affordable Care Act (ACA) subsidies for insurance (to be replaced by an unspecified but likely smaller tax deduction), cutting Medicaid and giving some of the money to states as a block grant, and turning Medicare into a premium support ("voucher") program and limiting the growth of the government's commitment. Block grants and premium support may by themselves be good policy (I disagree on both), but it is hard to escape the conclusion that the spending cuts that accompany these policies are a raid on the piggy bank.

David M. Cutler, PhD

And where does the money go? In many ways, the centerpiece of the Republican Party platform is tax cuts. Republican tax proposals typically call for reductions in tax rates for high-income individuals, corporations, and large estates. While Donald Trump's tax plans keep changing, estimates of one of his proposals suggested they would cut revenue by nearly $10 trillion over the next decade.

The fundamental divide between the investment and piggy bank views of health care means that neither the Democratic nor



CHIP indicates Children's Health Insurance Program; ACA, Affordable Care Act
Data source: Congressional Budget Office

the Republican platform is likely to be enacted as written. While many Republicans are warming to the idea that a victory for Hillary Clinton would effectively end the debate about ACA repeal, it is difficult to see expansion in the areas that former Secretary Clinton proposes without movement to Republican principles in others.

More consequentially, given its scale, the Republican platform stands virtually no chance of being enacted, even if Donald Trump wins the campaign. Many of the specific provisions of the ACA are quite popular, making wholesale repeal of the ACA difficult. Furthermore, proposals to "block grant" Medicaid and turn Medicare into a voucher program are extremely unpopular. Voting for the Republican platform on health care while simultaneously supporting high-income tax cuts would be an act of political suicide. Most politicians avoid that. It is unlikely, then, that reasoned debate will lead to much movement on health care.

Health Spending and the Health Care Debate

Outside of the desire for tax cuts, the cost of medical care itself is the major factor influencing whether health care is viewed as a social or budgetary issue. When medical care costs grow rapidly, health programs get scrutinized for spending cuts. When health costs growth slowly, proposals for additional investment get greater weight.

The major trend in the federal budget over the past 8 years has been the substantial reduction in the growth of medical care costs, especially Medicare. In 2008, the Congressional Budget Office forecast that Medicare would spend $719 billion annually in 2015. The actual figure was 12% lower. Projections for future years are now estimated to be even farther off. This reduction in spending has helped reduce federal deficits by three-quarters in the past few years.

Medical care cost growth remains low, with one exception: prescription drugs. In the past few years, prescription drug spending has significantly outpaced the growth of hospital, physician, and other medical care payments. Not surprisingly, these trends have led to calls for reform of prescription drug pricing. Given the fact that many of these price increases are for older drugs and are not being used to fund new research, the desire for reform is bipartisan.

Is this outrage over prescription drug prices enough to generate legislation action? No one knows. But it illustrates a central tension in the formation of health policy: when a sector takes more in revenue, it risks moving from being an investment opportunity to a candidate for the chopping block. ■

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