
Provider and Insurer Perspective

Senator David Durenberger

This executive summary of Senator Durenberger's remarks was prepared by Julie Snyder of the University of Texas LBJ School of Public Affairs. The remarks were given in the context of a panel presentation moderated by Senator Durenberger, entitled "Provider and Insurer Perspective."

Durenberger began his remarks by citing Einstein's keen observation, "Sometimes you have to believe in order to see." To Durenberger, looking back is critical to the process of looking ahead. So, as we contemplate the future of Medicare, it should be incumbent upon us to look at the long and colored history of health policy of which this landmark legislation is a part.

To Durenberger, the health care system has passed through a number of phases since our country's beginning. It went through the Medical Period, in which doctors and hospitals were in short supply; quality judgment resided in the doctors and

cost decisions with insurance companies. Institutions and services were subsidized, not people. We are now in the Industrial Age, where the hallmarks are efficiencies of market forces and payer efforts to require providers of care to absorb more risk.

The relationship between health professionals and patients is what drives our current system. If incentives for both are properly aligned by public policy reform, our next is the Health Period.

In order for this transition to be successful, Durenberger stressed the importance of considering that Medicare and Medicaid are really income security policy, not health programs. Consumers should be insured for financial risk by shifting public subsidies from services to consumers' health plan premiums. Bipartisan leadership to bring this about is critical to the national guarantee to elderly and disabled and to moving long-term care from welfare subsidies to social insurance guarantee.