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THE WHITE HOUSE

WASHINGTON

October 10, 1994

Ms. Carol Cox Wait
President

Ms. Susan Tanaka
Vice President

Committee for a Responsible Federal Budget
220 1/2 E Street, N.E.
Washington, D.C. 20002

Dear Ms. Wait and Ms. Tanaka:

Thank you for sending a copy of the report on health care reform released by the Committee for a Responsible Federal Budget. The issues raised and analyzed in the report are interesting and important.

As you know, Senator Mitchell announced recently that the Senate will be unable to pass health care legislation in this session of Congress. Without health care reform, spiralling health care costs will continue to consume an ever greater share of the federal budget, while the number of Americans without health insurance will continue to increase. The President and I, however, are proud that we have come further than ever before in the effort to reform our health care system. We remain committed to returning next year to fight for meaningful health reform that will control health care costs and make health security a reality for all American families.

Sincerely yours,

Hillary Rodham Clinton

Hillary Rodham Clinton

COMMITTEE FOR A RESPONSIBLE FEDERAL BUDGET

220 ½ "E" STREET, N.E.
WASHINGTON, D.C. 20002

(202) 547-4484
FAX #(202) 547-4476

July 27, 1994

First Lady Hillary R. Clinton
The White House
Washington, DC

Dear Mrs. Clinton:

Our Committee commends you and the President for your efforts to reform the health care system, one of the most difficult issues facing our Nation.

As budget experts, we are deeply concerned about the potential impact of excess health care cost growth on the Federal budget and the budgets of every American family. These impacts threaten both our immediate well-being and the economic future of our children and grandchildren. We were reassured of the Administration's commitment to cost containment when the Vice President, in his remarks on *Meet the* Press last Sunday, reaffirmed the need for health care reform to reduce the deficit in both the short- and medium term.

We enclose our recently released report on health care reform. In it we conclude that:

- Health care reform must be considered within the context of everything else we expect from our private and public budgets;
- All current reform proposals are very risky because they are more specific about the benefits promised than where the financing will come from; and
- Without as strong a consensus about the financing as around the benefits, any reform approach is doomed to fail.

Thank you for your efforts on behalf of the country.

Sincerely,

Carol Cox Wait
President

Susan Tanaka
Vice President

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The Economy, the Budget, and Health Care Reform

Health Care Reform Project

Phase II: Comprehensive Reform Proposals

Committee for a Responsible Federal Budget

Washington, DC
July 1994

Harry and Louise Go To Washington: Political Advertising and Health Care Reform*

by

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Abstract

Harry and Louise Go to Washington: Political Advertising and Health Care Reform

Political advertising by interest groups attempting to influence public policy has proliferated in recent years. Formerly the preserve of election campaigns, advertising has spread to non-electoral arenas, such as abortion, trade, and health care. In this paper, we examine the political ads employed to influence the debate over the Clinton health care package. Using a study of ads and news coverage and an analysis of three national public opinion surveys designed to gauge the public response to health care ads, we investigate the use and impact of these commercials. Because of the large amount of money spent by key groups, the one-sided nature of the ad expenditures between competing forces, and the prominent and non-critical coverage of commercials by the news media, anti-Clinton ads played a crucial role in attaching negative connotations to key elements of the president's plan. However, these ads influenced elite opinion more than the views of the general public.

Interest groups long have been crucial to debates over public policy. From Truman's (1951) classic book on the governmental process to Lowi's (1969) work on interest group liberalism, there has been widespread agreement about the importance of groups. Yet little consensus has emerged concerning the implications of this power for democratic political systems. Critics of group power, such as Schattschneider (1960) and Lowi (1969), contend that groups corrupt the body politic by overrepresenting interests with money and allowing the well-to-do to achieve disproportionate benefits. Others such as Bauer, Pool, and Dexter (1964) reject this view in favor of interpretations emphasizing groups as service bureaus of information. According to this view, groups gain influence by providing information to legislators. Group power is limited by the ability of politicians to play groups off each other. In addition, if particular groups achieve too much power, the public can use the vote at election time to represent its general interest.

As befits a debate of long-standing duration, much of the literature addressing group influence appeared well before the current era of interest group proliferation, decline of political parties, and rise of media-centered politics. The period since the 1960s has seen dramatic changes in the political environment. Both the number and activism of interest groups has expanded considerably over the past 30 years (Walker, 1983). There also have been important changes in group strategies. Previous emphasis on "inside" lobbying tactics based on direct appeals to legislators has given way to "outside" appeals to people at the grass roots, who then pressure elected officials. These changes in group activism are noteworthy because they have occurred precisely at the time when political parties have lost clout and the media have emerged as a crucial intermediary between citizens and leaders.

This paper examines group lobbying using the debate over President Bill Clinton's health care package as a case study. The president's ambitious plan to cover the uninsured, establish regional purchasing alliances, and remake the relationship between health care providers was outlined to a joint session of Congress on September 22, 1993. Almost immediately, his plan became the object of extensive lobbying. Major groups in the insurance and pharmaceutical industries, for example, spent millions of dollars on ads designed to point out weaknesses in the president's program. These commercials elicited considerable coverage by national news outlets and angry responses from the First Lady and president. This case therefore represents an interesting opportunity to study how political ads influenced the policy debate.

Interest Groups and Health Care Reform

Politics has been defined as conflict over the mobilization of bias (Schattschneider, 1960). But a more apt description in a media era would be one emphasizing conflict over the construction of particular interpretations (also see Hershey, 1992). In many respects, political battles are fights over the terms of debate. The argument over abortion, for example, long has centered on the competing symbolism of "choice" versus "life." Opinion polls have revealed sharp fluctuations in public support for abortion depending on which symbolic frame is most central at the time.

Despite the influential role of the media in constructing policy frames, surprisingly little attention has been devoted to the media in public policymaking models. Kingdon's (1984, p. 62) widely-cited "garbage can" model describes the media as having a "less-than-anticipated effect". Policymaking is conceptualized as the interplay of groups and office-holders with little emphasis on the way in which the media frame options, legitimate particular actors, and eliminate certain options from the political agenda. Through coverage which invokes potent symbols, citizen impressions of policy alternatives can be shifted substantially. Positive symbols, such as choice, freedom, liberty, and justice, are attached to one's own policy ideas, while negative symbols, such as cost, injustice, and unfairness become associated with the ideas of the opponent.

Health care is an obvious example of competing constructions of political reality. National polls show that the public desires several conflicting goals in health care reform: the preservation of quality care, choice of health care providers, reasonable cost of coverage, security from lost coverage, and a system free of excessive bureaucracy (Blendon, 1994). Whether it be a single payer system, managed competition, or hybrids based on an employer or individual mandate, no plan is able to secure every principle.

A situation of conflicting goals, complex plans, and little detailed understanding by reporters or the general public is ripe for symbolic fights over public policy. Traditionally, groups emphasize either direct appeals to legislators or outsider strategies based on public relations and news coverage. The chief virtue of news coverage is that groups which generate favorable news stories are able to frame policy battles in ways that advantage themselves. However, reliance on the news to fight symbolic policy battles is risky because reporters are professional skeptics who can not be counted on to convey a group's perspective. In addition, news coverage does not always occur at the time necessary to further group objectives.

For these reasons, many groups have turned to political advertising to communicate particular policy frames. The major strength of advertising is that the content and timing of ads is group-controlled. This gives ad-based strategies substantial advantages over other forms of political communications, such as interview shows and the news, because the latter are journalist-controlled. Interest groups have discovered what political candidates have known for several decades, which is that ads are the most reliable means of conveying political messages. Presidential candidates devote almost two-thirds of their overall budget to political advertising precisely because these expenditures allow the presentation of direct and unmediated messages to viewers. This gets the candidate's message out to the public and is also a vehicle to attract favorable news coverage, which amplifies the campaign message.

There have been many examples of successful advertising in American campaigns (West, 1993a). Lyndon Johnson's attacks on Barry Goldwater's fitness for office in the nuclear age devastated his opponent and helped guide Johnson to a landslide victory. George Bush's Revolving Door commercial in 1988 was a textbook illustration of effective advertising. The then vice president was able to use this spot as well as extensive news coverage of the William Horton case to convey the message that Michael Dukakis was a dangerous liberal who was soft on crime and thereby out of the political mainstream. Ross Perot's 1992 campaign also reaped enormous benefits from political advertising. Using plain ads on ballooning budget deficits and a Washington establishment out of touch with ordinary people, Perot earned the second best finish in this century for a third party or independent candidacy (Magoon, 1994).

With these results, it is no surprise that interest groups have extended the use of ads to non-electoral arenas (Kolbert, 1993). Right-to-life organizations ran ads in 1992 and thereafter emphasizing the sanctity of life and non-abortion alternatives to unwanted pregnancies. The acrimonious 1993 debate over the ratification of the North America Free Trade Agreement also generated extensive advertising campaigns from competing forces. But neither of these policy ad campaigns were very successful because the amount of money spent was not sufficient to guarantee much visibility. In addition, the news coverage which ensued was neither very extensive nor very favorable to the group running the ad.

The general ineffectiveness of past advocacy advertising has led some observers to conclude that these types of ads never will be influential. Interest groups which run ads have clear partisan objectives and therefore are not seen as legitimate by reporters, legislators, or the public. Policy advertising furthermore is tricky because the object in policy advocacy is opinion leaders and elected officials, not the general public, although groups may have a secondary interest in mobilizing public opinion in order to put grass roots pressure on legislators (Sexton and Loomis, 1994; Kurtz, 1994a). Finally, advocacy advertising is limited because few interest

groups have the financial resources to spend enough on policy battles to be taken seriously. The amount of money spent on most policy advertising pales in comparison to the $30 million per candidate spent on ads in recent presidential general elections.

The health care area, though, differed in two key respects from other policy arenas. The financial stakes of the Clinton reform package were so enormous that major interest groups mobilized to spend unprecedented amounts of money on advertising. Former HEW Secretary Joseph Califano characterized health care reform as a "trillion-dollar pot of gold" with enormous stakes for hospitals ($409 billion), doctors ($195 billion), nursing homes and home health care ($108 billion), pharmaceutical companies ($100 billion), insurers ($62 billion), and others such as dentists, podiatrists, optometrists, physical therapists, and pharmacists (more than $100 billion) (quoted in Broder, 1994b). Groups representing the drug and insurance companies, for example, felt that the very survival of their industries was at stake. Drug companies feared the Clinton cost controls would erode profits and eliminate their ability to bring new medical treatments to the marketplace. Insurers worried that mandatory purchasing alliances would put them out of business.

The other major difference in the health care debate was the extraordinary amount of news coverage. Few policy debates have generated the massive amount of coverage which occurred in the case of the health care debate. The large scale nature of the changes, the fact that a president made the issue the centerpiece of his domestic agenda, and the enormous number of lobbying dollars pushed health care, normally a peripheral public concern, to the center of the national political debate. Ironically, the very visibility of this debate should have reduced group influence. According to Lowi (1969) and Hayes (1981), the more visible the policy arena, the less able groups are to exercise influence over the general public. Yet in the case of health care, the media coverage amplified the messages of certain groups, which then helped these groups generate opposition to key features of the president's program.

The Media Environment

President Clinton unveiled his program for health care reform on September 22, 1993. His elaborate 1,364 page plan called the American Health Security Act was one of the most comprehensive domestic policy proposals put forward by an American president. Among the key features of his program were a guarantee of universal health care coverage by 1998 for all Americans, the establishment of regional insurance purchasing alliances from which people would be required to obtain coverage, an employer mandate requiring employers to pay about 80 percent of the costs of the average health insurance plan for a single person, subsidies for companies with 75 or fewer employees or individuals with average annual wages of less than $24,000, the creation of a national health board which would establish national and regional spending limits and would limit increases in insurance premiums, and health insurance reforms which would prohibit benefit terminations, including people with pre-existing conditions (Borkowski, 1994).

The scale of the proposal was stunning. It included a basic benefits package covering prescription drugs, rehabilitation services, mental health and drug/alcohol abuse treatment, hospice, home health and extended nursing care services, and abortion services. Under the plan, almost every aspect of the health care system would be changed. For a president charged with ending gridlock in Washington, it was a bold move (Woodward, 1994). In fact, the program was such a dramatic proposal that it unleashed unprecedented coverage by the news media and extensive spending by concerned interest groups.

The sheer volume of health care news coverage was extraordinary. Between September 1 and November 30, 1993 alone, 2,000 newspaper, magazine, and television stories about health care were published or broadcast (Rosenstiel, 1994). Part of this unusual media interest came from the massive stakes of the reform.

But monetary grants from leading foundations for news coverage, focus groups, public opinion polls, and academic studies also guaranteed a running story on health care. For example, the Kaiser Family Foundation gave millions of dollars to news organizations for health care coverage as well as to academics for studies of this coverage. The Robert Wood Johnson Foundation devoted several million dollars for research on health care as well as an NBC prime-time special on health care.

Ironically, the close media attention to health care was not positively evaluated by citizens. An October, 1993 national public opinion survey at Brown University (West, 1993b) found that while 57 percent of citizens gave the news media excellent or good ratings on coverage of foreign affairs and 55 percent gave them excellent or good ratings on general government and public affairs, only 42 percent gave the media excellent or good ratings for coverage of health care reform. Forty-eight percent said news coverage of health care was only fair or poor. An August, 1994 national poll undertaken for the Robert Wood Johnson Foundation showed even worse numbers: 32 percent said the media had done an excellent or good job and 64 percent felt the coverage had been only fair or poor (Kagay, 1994).

Part of the problem was the complex nature of health care. With press emphasis on personalities and the political game, many readers and viewers felt reporters had not told them how health care reform would affect their personal lives. A news monitoring project by the Kaiser Family Foundation, the Times Mirror Center for the People and the Press, and the Columbia Journalism Review revealed that citizens believed 31 percent of the stories focused on the political impact of health care, 21 percent dealt with the impact of reform on the health care system, and only 17 percent concerned the effect of reform on individuals and families (Rosenstiel, 1994). The latter, of course, was the topic of prime interest to ordinary Americans.

The health care debate also unleashed a tidal wave of interest group spending. A nonprofit Washington research organization called the Center for Public Integrity (1994, p. 83) estimated that at least $100 million was spent overall in 1993 and 1994 by 650 organizations to influence the health policy debate. Some of the money was devoted to traditional lobbying tactics, such as hiring a law firm or public relations agency. For example, it was estimated that at least 97 such firms were hired for lobbying purposes. A second common tactic was campaign contributions. From 1993 to early 1994, over $25 million was given to members of Congress by health-care interests, with top contributors including unions, trial lawyers, life underwriters, and health-related concerns. A third tactic was free trips for members of Congress. These trips totaled over 355 from organizations with health care interests, many from the American Medical Association, the American Cyanamid Company, and the Pharmaceutical Research and Manufacturers of America, among others.

But the biggest single share of total lobbying expenditures came in the area of political advertising. An estimated $60 million, or more than half of the overall spending, was devoted to advertising. It is difficult to get precise spending figures because of the unwillingness of all groups to disclose their exact spending and the fact that various organizations count different types of expenditures in their ad totals. Figures released to news reporters are not entirely reliable because several groups announced million dollar ad campaigns only to fail in their fundraising efforts to generate the money. News reports also varied substantially even for major groups (Times Mirror Center, 1994; Jamieson, 1994c).

Despite these difficulties, it is possible through a combination of news reports and personal interviews with officials in relevant groups to develop estimates of the spending by top organizations on health care ads. Table 1 lists the figures for the largest spenders, and by far the biggest advertisers on health care were the Pharmaceutical Research and Manufacturers of America (PRMA), which represented leading drug companies, and the Health Insurance Association of America (HIAA), which represented small and medium sized insurance companies. The PRMA spent around $20 million, while the HIAA spent roughly $14 million, much of it on the famous "Harry and Louise" series of ads. Most of this spending by

these groups was devoted to targeted ad buys in Washington or New York, although some of it was spent for ads aired either on the Cable News Network (CNN) or the home states of crucial members of Congress. Other organizations, such as the Democratic National Committee (DNC) and Republican National Committee (RNC), lagged far behind in their ad budgets. Groups opposed to the Clinton program outspent those which favored it by a 4-to-1 ratio in the advertising area. As we note later, the one-sided nature of the ad expenditures had important consequences for the health care debate.

When questioned about these expenditures, group officials cited fear about the long-term prospects for their organizations as the primary reason for their extraordinary spending (see Hilts, 1993 and Weisskopf, 1993b for discussion of HIAA). Bill Gradison, the president of the HIAA, felt that the Clinton Administration singled out a few groups for political demonization: "In the first meeting [with White House health care advisor Ira Magaziner] he said to me, 'Bill, I'm not a politician but our pollsters at the White House tell us that it will help us sell our plan if we identify as enemies the pharmaceutical industry, the physicians, and the health insurers' .... It became clear that this was part of a plan on their part to demonize the industry" (quoted in Center for Public Integrity, 1994, p. 49).

In Fall, 1993, HIAA and PRMA had the advertising field virtually to themselves, spending a total of approximately $17.5 million ($10.5 million by HIAA for television spots and $7 million by PRMA on print ads). During this same period, the DNC devoted about $150,000 to ads and the RNC spent around $100,000. The HIAA "Harry and Louise" spots developed by the advertising firm of Goddard*Claussen/First Tuesday started running in September. These ads were modeled on a very effective campaign HIAA had run against a 1992 California health reform initiative called Proposition 166. According to Gradison: "when this [opposition] effort began it looked like -- based on polling data -- that the initiative would prevail by a vote of about 2-1. It was defeated by 2-1 and the [Goddard*Claussen] ads were really important" (quoted in Center for Public Integrity, 1994, p. 48).

In one early HIAA health care ad, a yuppie couple named Harry and Louise (played by Los Angeles actors Harry Johnson and Louise Clark) are sitting over breakfast (see description by Kolbert, 1993). He is scanning a newspaper, while she is reading a printed version of the president's health care plan. Harry says, "I'm glad the President's doing something about health care reform." Louise: "He's right. We need it." Harry: "Some of these details." Louise: "Like a national limit on health care?" Harry: "Really." Louise: The Government caps how much the country can spend on all health care and says, 'That's it!'" Harry: "So, what if our health plan runs out of money?" Louise: "There's got to be a better way."

The PRMA featured a different approach in its ads. Unlike the HIAA, which directly challenged specific elements of the Clinton proposal, the PRMA emphasized the positive contributions of pharmaceutical research to health care (Kurtz, 1994b). One ad, for example, had a person named Mike Quinlan saying, "My dad has Alzheimer's. They have to continue the research they're doing." The ad went on to note: "To Mike Quinlan, and to all of America, we hear you. And we share your urgency. Right now, pharmaceutical companies have 19 medicines in development to fight Alzheimer's. The fact is, more than 90% of all drug discoveries come from our research. So for the millions who are waiting, keep the hope." Similar ads were run on AIDS (featuring HIV positive patient Dan Gunnells), breast cancer (citing Claudia), cystic fibrosis (with Ashley), ulcers (using Mike), asthma (citing Katie), and strokes (with quotes from Phyllis).

The "Harry and Louise" spots generated extensive coverage from the news media and 300,000 calls to an HIAA toll-free number between September, 1993 and April, 1994 (Benet and Stambler, 1994; Carlson, 1994). Between January 15 and July 12, 324 seconds of network evening news time was devoted to HIAA ads, compared to 122 seconds for those of the DNC (Jamieson, 1994a, p. 18). Almost every leading newspaper and television network in the country ran stories about the

ads, including a front page story in the New York Times on October 21, 1993 (Kolbert, 1993).

This particular ad became so prominent that on November 1, First Lady Hillary Rodham Clinton lashed out at the health insurance industry, saying: "They have the gall to run TV ads that there is a better way, the very industry that has brought us to the brink of bankruptcy because of the way that they have financed health care" (quoted in Clymer, 1993). This brought front-page headlines in the New York Times ("Hillary Clinton Accuses Insurers of Lying About Health Proposal: Says Industry Ads Mislead Public to Guard Profits") (Clymer, 1993) and Washington Post ("First Lady Lambastes Health Insurers: Methods Have 'Brought Us to the Brink of Bankruptcy,' Clinton Says") (Priest, 1993). President Clinton joined his wife in these criticisms on November 3, blaming health insurers for "over-complicated, bureaucratic, burdensome, bureaucratic" requirements (quoted in Jehl, 1993). That same day, Richard Celeste, chairman of the DNC's National Health Care Campaign, crashed a HIAA news conference in Washington. According to a Washington Post account, this had the effect of "turning a dry, technical session into a newsworthy event" (Weisskopf, 1993a).

In spite of media attentiveness to the accuracy of ads in the 1992 presidential campaign following a generally uncritical reporting of Bush's 1988 charges, there were almost no Ad Watches assessing the accuracy of health care spots. In the period from Fall, 1993 to Summer, 1994, only four Ad Watches on health care appeared in the New York Times, those being on October 21, 1993, February 1, 1994, and two on July 17, 1994. This was well below the 44 Ad Watches run by the New York Times during the 1992 presidential campaign (West, 1993a, p. 69). Few formal Ad Watches appeared in the Washington Post, Los Angeles Times, or Wall Street Journal during this time period. Aside from Ad Watches, there were a number of general news stories about health care ads. Figure 1 reports the number of national newspaper and network television stories about health care ads. It shows that peak coverage of health care commercials occurred in October/November, 1993, February, 1994, and July/August, 1994.

The weakness of media ad oversight led University of Pennsylvania communications scholar Kathleen Hall Jamieson to complain to Washington Post columnist David Broder. He then wrote a February 23, 1994 column (Broder, 1994a) conceding the news media had failed seriously to challenge the accuracy of health care advertisements. But despite the public admonition, little changed after his column. By the end of July, 1994, a University of Pennsylvania study reported that 28 percent of the print ads and 59 percent of the broadcast ads were "unfair, misleading, or false" (Jamieson, 1994b, p. 2).

Harry and Louise had a dramatic impact on the national political agenda because they were able to achieve the status of cultural icons. The ads in which they were featured became a virtual mini-series which spawned numerous headlines, counter-responses, spoofs, and cartoons. One national news organization (the New York Times/CBS News) even conducted a survey to gauge the impact of Harry and Louise. Clinton friend Harry Thomason produced a spoof ad which began in a graveyard while church bells ring. The ad says: "You've probably seen a young yuppie couple named Harry and Louise on television recently, questioning the President's health care plan. I thought I'd bring you up to date. Harry lost his job and also his insurance. Louise owned a small and struggling company that could not afford group insurance, so she had always depended upon Harry's policy. Unfortunately, she had a pre-existing condition that prevented her from obtaining new coverage." Eventually, according to the ad, Louise died, Harry moved to another state where he got a job making coffee commercials, and his new company did not have an insurance plan. The ad closed by saying, "Oh, by the way, if you see Harry, tell him to hang in there. The President's plan is just around the corner" (cited in Kolbert, 1994).

This was followed by a spoof ad at the Gridirons Club in March featuring Bill and Hillary Clinton as Harry and Louise, sponsored by the "Coalition to Scare Your Pants Off". Even cartoonists joined in the spin-offs. A Don Wright (1994) cartoon

showed a couple watching television while the wife said to her husband, "All we know is that Harry and Louise, the insurance couple, have been shot and the cops are chasing Clinton round and round the beltway!". Supporters of a Canadian style, single-payer system ran an ad in May featuring the comedy team of Jerry Stiller and Anne Meara declaring: "Harry and Louise, there is a better way" (Toner, 1994).

Numerous officials connected with health care reform blamed the HIAA spots for turning public opinion against the Clinton proposal. White House health care advisor Magaziner said the ads "scared a lot of people by putting out misinformation. It was akin to a presidential campaign where one candidate has $30 million to spend on ads and the other candidate can't spend any money on advertising" (Magaziner, 1994). Reporters also regularly credited the Harry and Louise spots "with undermining public confidence" in the Clinton plan and doing "more than any single lobbying tactic to hobble Clinton's plan" (see Weisskopf, 1994a and 1994b, and Colford, 1994 for examples). A June 20, 1994 network story by John Cochran of ABC News credited Harry and Louise with "creating real doubts" about the Clinton program.

As a sign of the potency of the advertisements, the summer featured the unprecedented spectacle of House Ways and Means Committee chair Dan Rostenkowski reaching an agreement with HIAA in which Rostenkowski agreed to changes in health care legislation in exchange for the HIAA not running ads in particular states (New York Times, 1994). Within weeks, though, this pact came unglued when a felony indictment forced Rostenkowski to relinquish his committee leadership.

By July 10, 1994, the Democratic National Committee was airing a new spot called "Harry Takes a Fall." In the ad, "Harry and Louise are in bed. Harry is in a full body cast; his head is bandaged. Louise's arm is in a sling. She chides Harry for having been skeptical about proposals for universal health insurance coverage. Harry, it seems, has lost his job, his health insurance and most of his financial assets" (quoted in Pear, 1994).

The Public Response

Early polls showed strong support for the Clinton health care initiative. For example, a Washington Post-ABC News poll of adults nationwide conducted shortly after the Clinton program was announced in September, 1993 revealed that 67 percent approved of the president's program and only 20 percent disapproved. By late February, 1994, the same survey organization using an identical question found approval of Clinton's plan had declined 23 percentage points to 44 percent. Similar results were obtained in other national surveys. USA Today/CNN/Gallup national polls from September 26, 1993 to April 18, 1994 found an 18 percentage point drop in public support for the Clinton health care program -- from 57 to 39 percent (Center for Public Integrity, 1994, p. 28). Other polls showed the percentage of people who believed they would be better off if the plan were enacted dropping sharply from 77 to 52 percent in the space of a few months (Priest, 1994; Broder and Morin, 1994).

These results were suggestive of the problems faced by the Clinton program. But given the range of events taking place between the Fall and Spring, it is difficult to prove the aggregate numbers shifted because of advertising and news coverage. To get a better sense of why these changes took place, one must undertake a much more detailed analysis of public opinion surveys. In reviewing publicly available national polls, we found three national surveys which included questions both about health care ads and sentiments on health care reform. This included surveys conducted by the Harvard School of Public Health/Kaiser Foundation from September 30 to October 5, 1993 with 1,200 adults; by the Washington Post/ABC News from February 24 to 27, 1994 with 1,531 adults; and with New York Times/CBS News on March 8 to 11, 1994 with 1,107 adults (which asked specifically about the Harry and Louise ads).

The surveys cover the crucial Fall, 1993 and Spring, 1994 time period when overall support for the Clinton program deteriorated, and therefore can be used to examine attitudes on health care at different time points. They furthermore can determine whether people who said they saw health care ads had different views from those who did not. One must be cautious in comparing the surveys because while some of the items were similar across polls, each survey asked a different range of questions. However, even when particular questions were not identical, each survey did ask items concerning prominent aspects of the policy controversy.

The Harvard poll is useful to examine early thinking on the Clinton program because the survey started a week after Clinton announced his plan to a joint session of Congress. The poll also offers the advantage of having been in the field after the HIAA and PRMA started running their big salvo of Fall ads. In looking at the results of this survey, the most notable point which come through is that few people felt they knew much about health care reform. Forty-two percent said they knew nothing or only a little, 49 percent felt they knew a fair amount, and only 9 percent indicated they knew a great deal about the subject. In regard to the Clinton proposal in particular, 44 percent indicated that they did not understand the Clinton plan either very well or at all.

There was widespread ignorance about crucial features of the debate. For example, only 22 percent said they knew the meaning of consumer purchasing alliances, which was one of the cornerstones of the Clinton program. Only 20 percent were familiar with the idea of managed competition. However, 79 percent were aware that Clinton's plan would require employers to contribute to the cost of health insurance for their workers, 63 percent knew the Clinton plan guaranteed health coverage to all Americans, and 52 percent realized the president's program guaranteed that workers would not lose their benefits if they lost or quit their jobs. When asked what they were most interested in learning about health care proposals, 79 percent indicated it was the amount they would have to pay out of their own pocket for a doctor or hospital visit, 77 percent said it was the cost of their family's health insurance premiums, and 73 percent named the amount of taxes they paid. Seventy-two percent said that under the president's proposal, they would personally pay either a great deal more or somewhat more in taxes. Forty-three percent worried that the Clinton plan would lead to rationing of health care. Thirty-nine percent believed that under the president's reform, the health care system would be run mainly by the government.

The general absence of information about the Clinton proposal and the substantial concern over the cost of reform and the impression that government was taking over the health care system created a climate whereby opponents could attach potent negative symbols to the president's program. This was ironic given the fact that in 1991 Clinton had explicitly rejected a single-payer system advocated by Yale Professor Ted Marmor because the "proposition of Big Government and increased taxes was simply unacceptable" (quoted in Center for Public Integrity, 1994, p. 18). Yet within days of Clinton's proposal being announced, these very criticisms had already emerged in the public's mind.

The early stage of issue consideration often is when political communications are most influential. People are still searching for information and generally have not made up their minds how they feel. It was no accident that Bush's effective advertising campaign in 1988 came on the heels of the nomination of Dukakis. The Massachusetts governor was the least well-known major party nominee in recent years, and the absence of prior beliefs gave Bush the opportunity through the media to shape public opinion (West, 1993a, p. 86). According to the Harvard survey of the health care issue, 65 percent indicated that in the past week they had seen a TV program, heard a radio program, or read a newspaper or magazine article having to do with health care reform. Forty percent said they had seen, heard, or read about advertisements having to do with proposed changes in the health care system.

Table 2 investigates the association between seeing ads or the news and beliefs about health care reform. The results show that people who said they had seen ads or heard the news also reported feeling more knowledgeable about health

care. They were more likely to understand the meaning of managed competition and health purchasing alliances and be more familiar with the Clinton reform plan. There were weaker ties in terms of knowing the Clinton plan guaranteed coverage and had an employer mandate. Interestingly, there was no association between seeing ads and feeling there would be a big tax increase under the Clinton program, but a significant relationship between that impression and seeing the news. This suggests that the tie between tax increases and the president's plan came more from news than ads.

As the debate moved from the Fall to the Spring, important changes started to take place in public opinion. The February, 1994 Washington Post/ABC News poll showed that 58 percent of Americans said they had seen or heard advertisements either for or against the Clinton health care plan, up from 40 percent reported in the Harvard October, 1993 survey. This is comparable to the 58 percent of Americans who say they saw Clinton ads during the 1992 presidential nominating process, but far lower than the 82 percent of Americans who reported seeing Clinton ads in the presidential general election (West, 1993a, p. 26). By 39 to 32 percent, people seeing the ads claimed the spots made them less likely to support health care reform (Broder and Morin, 1994).

Many individuals still felt they knew almost nothing (14 percent) or a little (62 percent) about Clinton's health care program. Twenty-four percent felt they knew a lot about it, up from 9 percent in October. Seventy-three percent said they supported a federal law requiring all employers to provide health insurance for their full-time employees. Forty-seven percent worried than the Clinton plan created too much government involvement in the nation's health care system.

Table 3 reports associations between seeing health care ads and various opinions about health care reform in February. Seeing ads still had a strong relationship with feeling more knowledgeable about Clinton's program. Exposure to ads also was linked with beliefs that Clinton's reform would not provide adequate medical care for people who needed it, that his program created too much government, and fear that employers would eliminate existing jobs as a result of the plan. Support for an employer mandate was lower among those seeing than not seeing health care ads. But there was no relationship between seeing ads and feeling the Clinton program would increase taxes, create another large and inefficient government bureaucracy, cost too much, limit choice of doctors or hospitals, or pay for legal abortions. These nil relations are noteworthy in light of the fact that many of the anti-Clinton advertisements emphasized these very themes.

The Case of Harry and Louise

Both the Harvard and Washington Post/ABC News surveys are limited by the fact that they inquired about exposure to ads in general. The March, 1994 New York Times/CBS News survey asked specifically whether people had seen television ads showing a couple called Harry and Louise sitting in their living room criticizing the Clinton health care plan. In this close-ended question, 19 percent reported that they had seen the "Harry and Louise" ads. This compares to the 6 percent in late October, 1988 who named Bush's "Revolving Door" spot in an open-ended question asking them to say the ad which had the greatest impact on them in the fall presidential campaign and the 10 percent in March, 1992 who cited Pat Buchanan's "Read My Lips" ad as the spot having the greatest impact on them during the nominating process (West, 1993a, pp. 98, 111).

One must be cautious in comparing these items, though, because an open-ended question obviously is much tougher than a close-ended item. With the former, you have to recall a specific ad from memory without having a question to prompt your answer. That fact notwithstanding, there is little doubt that the Harry and Louise ads achieved a high degree of visibility for a new campaign.

Yet a majority of viewers did not find these commercials very accurate. Of those seeing the "Harry and Louise" spots, 32 percent believed the ad criticisms

were completely accurate or more right than wrong and 52 percent felt their criticisms were either completely untrue or more wrong than right. This lack of credibility was significant given the general importance of source credibility in models of political persuasion. Information sources which are not viewed as credible are much less likely to be persuasive with the general public.

It also is important to point out that few people were able correctly to identify the source of the Harry and Louise ads. Of those seeing the ad, 38 percent correctly identified the source of the ads as the insurance industry, 50 percent had no idea who sponsored the spots, and 12 percent incorrectly attributed sponsorship to some other organization. This means that nearly two-thirds of people were unsure who was making the criticisms of the Clinton program.

Taken together, these findings help to explain the results shown in Table 4. Seeing the "Harry and Louise" ads was associated with reporting a good understanding of the Clinton program, but was not related to other impressions about the plan. For example, 64 percent of those seeing the ads believed the Clinton proposal would increase their health costs, while 60 percent of those not seeing the spots felt costs would increase, a difference that was not statistically significant. There were equally small differences in regard to beliefs about the importance of universal coverage (a difference of only 1 percentage point), worry about the adequacy of medical care (a difference of 2 percentage points), and evaluations of the employer mandate (a difference of just 3 percentage points).

The absence of any relationship between seeing "Harry and Louise" ads and views about health care reform is noteworthy in light of the fact that these items were central to the advertising campaign against Clinton. Many of the HIAA spots specifically criticized Clinton's program for being costly, overly bureaucratic, and limiting patient choice. Contrary to the conventional wisdom, exposure to the "Harry and Louise" ads was not associated with negative public impressions of the Clinton program. The Washington establishment imputed much greater effectiveness to the "Harry and Louise" ads than was warranted. Harry and Louise were crucial in shaping the political dialogue in Washington. There is no doubt they molded the views of legislators and reporters. But there is little evidence documenting a significant impact on the public at large.

Our survey evidence on the weak impact of Harry and Louise is consistent with focus group research reported by Jamieson (1994c, p. 2). In her research, Jamieson found that the "Harry and Louise" ads "had a negligible impact on the public." The problem, according to her, was that the ads evoked little short-term recall of central themes and were considerably less memorable than other health care reform ads. Despite the large amount of money spent by HIAA, most of the ads aired in Washington and New York or on CNN, where legislators would be sure to see them. There simply weren't enough broadcast repetitions over the 12 month campaign to be persuasive with the American public.

In addition, the Jamieson research demonstrates that most focus group viewers had no idea who Harry and Louise were because the actors rarely were identified as such in HIAA ads. Journalists identified the ads as Harry and Louise because scripts which were delivered to reporters identified the actors by their real names. Therefore, all the White House criticisms about Harry and Louise (or Thelma and Louise as President Clinton once called them) did not resonate with the American public.

The only survey evidence of ad impact comes when one moves from the overall level to an examination of subgroups. Table 5 breaks down the Harry and Louise results by gender, region, and occupation. Gender is important because of past studies demonstrating that men and women react differently to political spots. For example, West (1993a, pp. 114-115) demonstrated that women were more likely than men to see crime as the most important issue when viewing Bush's "Revolving Door" spot in 1988. Region is important in light of the fact that HIAA emphasized "Harry and Louise" ad buys in the Northeast. Occupation provides a measure of how ad battles influenced different types of workers.

The results reveal that on the crucial dimension of cost, one of the main attacks used by opponents, women were much more likely than men to believe the Clinton program would increase the cost each family would pay for health care. For example, 71 percent of women seeing the Harry and Louise spots claimed costs would go up, compared to 59 percent of women who did not view the ads. The difference of 12 percentage points was statistically significant. There were no significant differences between seeing or not seeing the ads among men.

As one would expect given the nature of HIAA ad buys, people living in the Northeast (which under the CBS survey classification included both Washington, D.C. and New York City) who saw the ads were more likely (71 percent) than those not viewing the ads (60 percent) to think family costs would increase. No other region showed a statistically significant relationship between ad viewing and cost.

The ads furthermore were associated with cost increase views among those with professional, managerial, and agricultural jobs. Individuals employed in each of these occupations were more likely to hold the belief that the Clinton program would increase their health care costs. Interestingly, there was no relationship among white collar workers, but a significant relationship in the opposite direction with blue collar workers. Among these people, seeing the ads was associated with the view that health care costs would not increase. Therefore, the "Harry and Louise" commercials were much more influential in furthering HIAA goals among professional, managerial, and agricultural workers than blue collar employees. This makes sense in light of the fact that Harry and Louise were portrayed in the ads as a yuppie professional couple.

Conclusion: Health Care Exceptionalism

The anti-Clinton health reform effort will go down in history as one of the most successful advertising campaigns of all time. In terms of its ability to frame the political debate, this ad campaign rivaled Johnson's successful campaign in 1964 and Bush's widely-cited effort in 1988. By attaching negative symbols of high cost and big government to the president's proposal, opponents effectively derailed the centerpiece of Clinton's domestic agenda. This lobbying success was all the more impressive in light of evidence that Washington elites were swayed by "Harry and Louise" ads and, with the exception of several key subgroups, the general public was not.

This case study demonstrates the need to rethink key elements in interest group theory. There is little doubt that big financial resources make a difference in lobbying. The heavenly chorus of interest group influence is important. Unlike the arguments of Lowi (1969) and Hayes (1981), group influence is not necessarily constrained by highly visible policy debates. By framing political disputes in favorable ways through the media, interest groups can persuade legislators to reject a president's proposal even in an era where the general public is disgusted with gridlock.

What is less clear at this juncture is what it tells us about the future of public policymaking. Some scholars have argued that America is at a turning point, and that high-profile advocacy campaigns will become the new norm in policy disputes (Jamieson, 1994b). While there is no question other organizations will attempt to replicate the success of Harry and Louise, there is reason to believe the success of the health care ads was exceptional rather than the new norm. There were several elements in this debate which made it possible for health care concerns to make a case via advertising that are not likely to repeat themselves in other policy arenas. What made the health ads against the Clinton program effective was the large amount of money which was spent, the one-sided nature of the advertising expenditures, and the relatively uncritical media coverage of group ads.

These elements are not likely to be repeated in other policy areas. Few groups have the financial resources to run the type of campaign waged by the insurance and drug companies. Those that do, do not necessarily have the incentive to spend their money on public lobbying. It was the large-scale nature of the Clinton

reform which mobilized major opponents. Presidents are not likely to undertake this type of battle on very many issues.

In addition, group advertising on health care was aided by the complex nature of health care reform. Although surveys indicated more people felt knowledgeable as the debate unfolded, most Americans did not have a good sense of what the president was attempting. This allowed opponents to fill the information vacuum through advertising that was deceptive or misleading. For example, one group called the American Council for Health Care Reform sent direct mailings accusing the Clinton administration of advocating prison time for people who bought "extra care", a charge that was blatantly false (Wartzman, 1994).

Finally, the health care experience demonstrated the crucial role played by news coverage of advertisements. The most glaring mistake made by the media was the lack of oversight on the part of news reporters. Unlike the 1992 presidential campaign, where reporters actively challenged the accuracy and fairness of political advertising, there was little oversight in the health care debate. News accounts amplified the self-interested claims in group ads and accorded them much greater legitimacy than was warranted. The result was that over half of the television ads had claims that were either outright false or misleading. If reporters had exercised their historic oversight function, they would have acted as an important check and balance on interest group influence.

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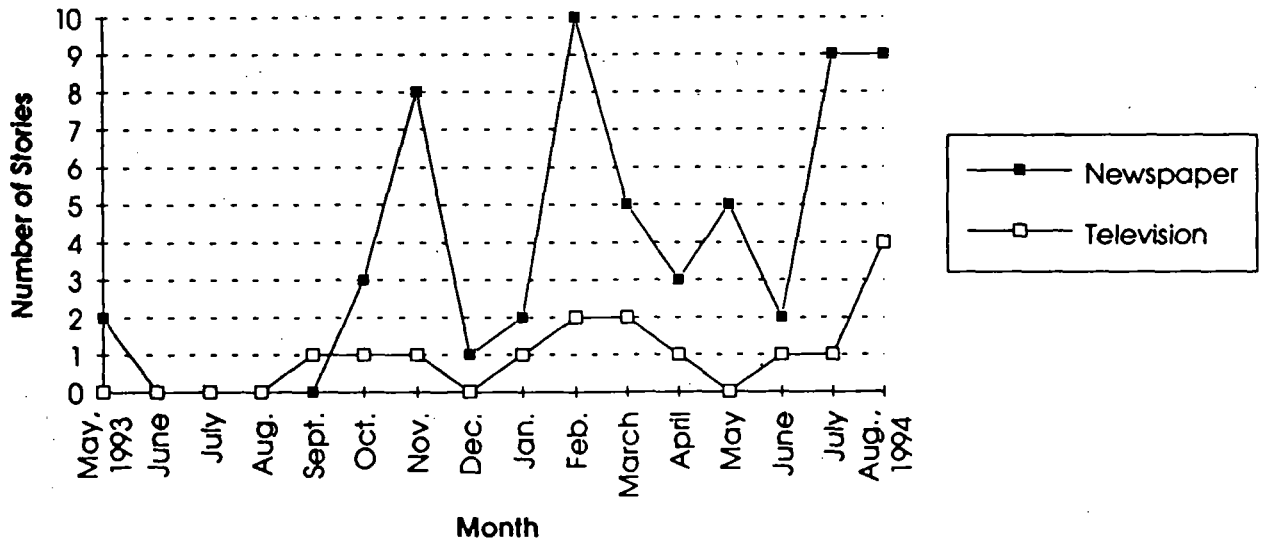
Table 1 Organizations Spending Largest Amounts on Health Care Ads, 1993-1994

Organization	Amount
Pharmaceutical Research and Manufacturers Assn.	$20,000,000
Health Insurance Association of America	14,000,000
Kaiser Foundation/League of Women Voters	4,100,000
Health Care Reform Project (consumer groups)	4,000,000
AFL-CIO	3,000,000
American Conference for Health Care Workers (unions)	3,000,000
AARP	2,434,000
American Medical Association	2,000,000
American Dental Association	2,000,000
Christian Coalition	1,400,000
Democratic National Committee	1,300,000
Republican National Committee	1,100,000
Group Health Association	1,000,000
Single Payer Across the Nation	1,000,000

Source: Personal interviews with organizations, 1994
News accounts, 1993-94

Figure 1 National News Coverage, 1993-94



Sources: The newspaper stories come from the New York Times, Washington Post, Los Angeles Times, and Wall Street Journal. The television stories include those airing on ABC, CBS, and NBC as reported in the Vanderbilt University Television News Archive.

Table 2 General Ad Viewing and Health Care Opinions, October, 1993

	Saw Ads			Saw News		
	Yes	No	Diff.	Yes	No	Diff.
Familiar with managed competition	28	15	+13***	26	9	+17***
Familiar with health alliances	29	17	+12***	30	8	+22***
Knowledgeable about health reform	14	6	+8***	13	4	+9***
Understand Clinton Plan	12	5	+7***	9	6	+3***
Believe Clinton plan has employer mandate	96	94	+2*	96	94	+2
Believe Clinton plan guarantees coverage	86	84	+2	85	83	+2
See big tax increase with Clinton plan	28	26	+2	28	23	+5***
Strong interest in tax implications	74	73	+1	75	69	+6***
Strong interest in cost implications	79	79	0	82	75	+7***

*** $p < .001$
** $p < .01$
* $p < .05$

Source: National survey by Harvard School of Public Health/Kaiser Foundation, September 30 to October 5, 1993 (N=1,200 adults)

Table 3 General Ad Viewing and Health Care Opinions, February, 1994

	Saw Ads		
	Yes	No	Diff.
Knowledgeable about Clinton plan	30	15	+15***
Believe Clinton plan had inadequate coverage	66	80	-14***
Believe Clinton plan creates too much govt	48	37	+11***
Worry employers would eliminate jobs	67	75	-8**
Support employer mandate	71	78	-7***
Believe Clinton plan costs too much	71	66	+5
Believe Clinton plan creates large bureaucracy	64	60	+4
Believe Clinton plan pays for abortion	46	50	-4
Believe Clinton plan limits choice	76	73	+3
Believe Clinton plan increases taxes	62	64	-2

*** $p < .001$
** $p < .01$
* $p < .05$

Source: National survey by the Washington Post/ABC News, February 24 to 27, 1994 (N=1531 adults)

Table 4 Harry and Louise Ad Viewing and Health Care Opinions, March, 1994

	Saw Ads		
	Yes	No	Diff.
Understand Clinton plan	46	32	+14***
Believe Clinton plan increases costs	64	60	+4
Believe Clinton plan increases paperwork	39	43	-4
Support employer mandate	49	52	-3
Believe Clinton plan improves quality of care	13	11	+2
Guaranteed coverage is very important	81	82	-1

*** $p < .001$
** $p < .01$
* $p < .05$

Source: National survey by the New York Times/CBS News, March 8 to 11, 1994 (N=1107 adults)

Table 5 Group Reactions to Harry and Louise Ads, March, 1994

	Percent Believing Clinton Plan Increases Cost		
	Saw Ads	Didn't See Ads	Diff.
Sex			
Male	59	61	-2
Female	71	59	+12*
Region			
Northeast	71	60	+11*
North Central	60	59	+1
South	55	63	-8
West	74	56	+18
Occupation			
Prof/Managerial	73	62	+11*
White Collar	64	43	+21
Blue Collar	51	71	-20*
Agricultural	100	44	+56**

*** $p < .001$
** $p < .01$
* $p < .05$

Source: National survey by the New York Times/CBS News, March 8 to 11, 1994 (N=1107 adults)

-- 10/15/93 letter from **Josh Weston** of Automatic Data Processing, Inc., following up on your suggestion to get you names of some industry leaders to assist in defining standards, methodologies and organizational approaches for data processing systems that will determine the efficiency and cost controls of new healthcare system. He lists 3 other corporations (with their CEOs) besides his own which handle huge volumes of transactions and monies.

He indicated he would also be in contact with Phil Lader and Mack McLarty.

___ See
___ Respond w/copy to _____
_V_ Direct to Jennifer Klein for review/response
per HRC

Received 3/22/94
mca

Pam -
I'm not sure what to do with this? It doesn't need a substantive response.
Any ideas?
J

HRClogMCA
032294

~~Heather Nelson~~ Josh Weston needs personal response

TO: Mrs. Clinton's ~~Staff~~ Asst.

Since Mrs Clinton specifically asked me to be in touch with her on this subject, I'd appreciate your calling my response to her attention.

Thank you.

Automatic Data Processing, Inc.
One ADP Boulevard
Roseland New Jersey 07068
201 994-5000 General
201 994-5828 Direct

Josh S Weston
Chairman & CEO

October 15, 1993

Mrs. Hillary Rodham Clinton
Office of the First Lady
The White House
Washington, D.C. 20500

Dear Mrs. Clinton:

As you departed our dinner table after your speech to the CED last night at the Waldorf, you suggested that I personally follow up with you on getting some industry leaders to be of further assistance in your defining standards, methodologies, and organizational approaches for the huge data processing systems that will ultimately determine the efficiency and cost controls of the new healthcare system.

This letter aims to give you that assistance...from myself and some other CEOs whose whole business depends upon electronically storing, massaging, and moving huge amounts of data and money...while also adding "smarts" and control to each transaction.

For example, our company's 50 computer centers pay over 16 million people every payday. That's more than the workforce of all Fortune 500 companies. We also daily electronically "massage" and move more monies and tax information (from 300,000 employers) to the IRS and 2000 other government agencies than does any other institution in the U.S. We dwarf any bank's volume of entries into the various national funds movement network.

The following other CEOs also head very large companies that handle huge volumes of transactions and monies, for both healthcare and other purposes. Each one does it on a much larger scale than any U.S. bank or insurance company...and with far more efficiency, urgency, and expertise, because that's their whole business.

Les Alberthal, CEO, EDS (Dallas) - (214)661-6043
Ric Duques, CEO, First Data Corp. (NYC) - (212)640-3727
Pat Thomas, CEO, First Financial (Atlanta) - (404)321-2103
...I can add a few more if you ask.

And each of us already knows and serves the healthcare industry in very big ways. I'm sure they each would agree to serve you in some advisory capacity, to help avoid the chaos and inefficiencies that will otherwise assuredly occur as 50 states and newly created health alliances try to stumble with vast inexperience towards handling over a billion claims, a trillion dollars, 250 million citizens, and a million providers.

Security, simplicity, choice, and quality medicine at reasonable cost are your primary objectives. Your success all will ultimately depend on an efficient, electronic, low-cost, non-bureaucratic, accurate data processing service. No government agency has ever done that. Not the IRS, FAA, or Defense Department, and not any of the Blue Crosses. It's just not "their bag."

I hope you'll let us help. I do look forward to your response.

Sincerely,

Josh Weston

JSW:10153J

P. S. - As to our other conversation about offering private sector seminars to "teach" senior government appointees (such as my friend Les Aspin) to be large scale effective managers for the first time in their career, I'll pursue it some more with Phil Lader and Mack McLarty, as you suggested.