

A Q&amp;A WITH SHERRY GLIED, PHD

# In Uncertain Times, Public Service Leadership More Important Than Ever

*Interview by Allison Inserro*

To mark the 25th anniversary of The American Journal of Managed Care® (AJMC®), each issue in 2020 will include a special feature: an interview with a thought leader in the world of healthcare and medicine. For the April issue, we turned to economist Sherry Glied, PhD, dean of New York University's Robert F. Wagner Graduate School of Public Service. As the April issue went to print, the novel coronavirus disease 2019 (COVID-19) had topped more than 500,000 cases worldwide, with more than 60,000 in the United States, where New York City is the epicenter.

**AJMC®:** First, let me just ask you, how are you doing with everything going on in the world?

**SHERRY GLIED:** It's very crazy, between all the different parts of my life. So as dean, I'm overseeing the transformation of our school from being an in-person school, very much situated in the heart of New York City, to being completely online. That's a challenge and there's a lot to do, but it's working. We have an amazing staff. And then I'm teaching—last night I did my first Zoom classes. And then as a health researcher, I mean, these are crazy times. It's hard to think even about how we should be moving forward, although certainly we are in a better position because the Affordable Care Act [ACA] happened than we would be in this horrible, horrible tragedy if we didn't even have those people covered. And then, you know, I'm also a person living in New York City as the world collapses around me and that's very frightening.

**AJMC®:** I live just outside of New York City—it's just heartbreaking to watch. So, as you mentioned, we're conducting this interview on a day when the world, the country, is in the midst of this pandemic. Yesterday, it was 10 years since the ACA was signed into law. The ACA did a number of things, which you wrote about in the March issue of *Health Affairs*, to improve access to health insurance.<sup>1</sup> But going forward, what will it take for the United States to solve the problem of health insurance and healthcare cost and access given the state of affairs that we're in now? If there were problems before, as you say, what happens next?

**GLIED:** I want to separate out what we need to do right now to deal with the immediate crisis that we face right now. There is this

**“ WE ARE IN A BETTER POSITION BECAUSE THE ACA HAPPENED THAN WE WOULD BE IN THIS HORRIBLE TRAGEDY IF WE DIDN'T HAVE THOSE PEOPLE COVERED. ”**

expression that you should never let a good crisis go to waste and that every crisis is an opportunity. But I think sometimes the crisis is just a crisis, and it needs to be dealt with as such, and I think that's the situation we're in right now. We need to be doing something to make sure that our hospitals have enough resources to be able to take care of the enormous numbers of people they're going to need to take care of; we need to make sure that people have enough financial protection so that getting sick doesn't bankrupt them in an already incredibly convoluted, depressed economy. We need to fix all of those things immediately, and this is probably not the moment to be making long-term health policy choices.

Let's talk about the second part of it, because that's what my paper was about a little bit. What's left, with the ACA passed? And I guess the first big chunk that's left is that 14 states still haven't expanded Medicaid—it's practically free for states to do that. Not fully free, but practically free. And it's really hard to see why they haven't. Extending Medicaid is probably the most important single move we could make at this moment to make sure that people have financial protection. So that's number 1.

Number 2 is that while the ACA provided people with a lot more financial protection than they had before the law, still, a lot of people face enormous potential financial out-of-pocket costs

and, going back to the [COVID-19] situation, we see that here. You could face pretty high expenses relative to your income in either the [ACA] marketplace plans or employer-sponsored insurance. I think there's no really good reason for us to be doing that to people. It's not the way we can control costs. So we are going to have to solve that problem. That's a second direction that we need to go [in]. It's not limited to people who are in the marketplaces. It's also a big problem in traditional employer-sponsored insurance. So all of that is on the financial protection side. The other part of the question is, what are we going to do to contain healthcare costs?

The [ACA] did a couple of things in an effort to contain healthcare costs. And I just think it's worth thinking about what they were and what they did and where that leaves us going forward. So the first big thing that the ACA did is it actually changed the update factor for the payment of hospitals in the Medicare system. This is such an arcane little point. It had to do with adding a productivity adjustment to the way that hospitals' payments were updated from one year to the next. I think nobody's even paid any attention to it, because it seems so obscure, but it's actually one of the main mechanisms that was used to finance the whole system, the whole expansion of coverage—a big chunk of the money for that came from just containing [and] limiting those update factors. And I think that that limit on the prices paid to hospitals by Medicare has actually redounded through the whole system so that in general, I think that it has had a cost-containing effect, not only within the Medicare program, but actually in the private insurance market as well. One thing we learned from that is that actually paying less reduces the cost, which seems like a no-brainer, but has been something that people had been at one point pretty skeptical about.

The second [thing] that the ACA tried to do to contain costs is by doing a whole lot of experiments and delivery system reform—accountable care organizations and bundled payment and different pay-for-performance efforts and so on. What we've learned from those is that there were small savings to be had here and there, but they have not been transformative in terms of bending the cost curve. I think that has been a great disappointment to a lot of people working in health policy and health services. I think there has been a long-term belief that there's just a lot of inefficiency and waste that could be squeezed out of the US healthcare system with better payment mechanisms or more appropriate management of things. And I think what we're learning is that's probably not really true. That's not where the costs are coming from. And that's consistent

with the international experience that our rates of utilization are not radically higher than in other countries.

**AJMC®:** Your paper discussed the effect of the administration's efforts to change what the ACA can do and the upcoming Supreme Court decision that could happen by the end of 2020. Do you think the ACA has any inherent flaws in it, or do you think it's all external?

**GLIED:** Nobody—no person I can imagine in the world, if they were put in a room with an infinite amount of time and asked to design the very best healthcare system in the world—I don't think the ACA is what anybody would design. It's not anybody's magic perfect healthcare system. It's the outcome of a political process.

I think there are many ways that you could build a much better health plan, but I'm not sure you could build a better health plan that could pass Congress. And that's really the one that matters.

**AJMC®:** How do you think the experience of the COVID-19 pandemic will shape tomorrow's healthcare administrators and healthcare policy makers? What will they need to be able to do in the years ahead, because the effects of this will obviously be with us for a long time?

**GLIED:** I think it's sort of a good news, bad news story. I think the good news story is, people are often dismissive of public service, and they think it's not important and that anybody can do it and that it's not a big deal. And I think that 1 thing that we have learned about the last 2 months is that it really matters, having people do the right thing and having those organizations properly managed. Not only that they do the right thing from a delivery perspective, but that they actually can operate in a crisis, that they can order supplies and staff up and keep things moving. That's tremendously important. So I think that's a good thing for our students. I think that their talents will be recognized. And it's really important for us to provide them with the education that will make them nimble and flexible and competent and, you know, excellent in doing these functions, because we all depend on it for our lives. ■

## REFERENCE

1. Glied SA, Collins SR, Lin S. Did the ACA lower Americans' financial barriers to health care? *Health Aff (Millwood)*. 2020;39(3):379-386. doi: 10.1377/hlthaff.2019.01448.

For the full interview, visit [ajmc.com/link/4548](https://ajmc.com/link/4548)