

Managed Care in the 1990s: Politics, Policy, and Oral History Perspectives
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I would like to start thanking Richard Candida-Smith for inviting me to this seminar and Martin Meeker for sharing his stimulating oral histories, which are very different from anything I would read in the normal course of my academic life -- though this fact that raises the immediate question: why did they invite me to comment on this material? I am not an expert in healthcare policy, the history of medicine, oral history as a historical methodology, or even the 1990s as a historical period, having spent most of my career writing about the 19th century. Before I read Meeker's fascinating interviews with Jay Crosson and David Lawrence, my only knowledge of Kaiser arose from being a member for about twelve years; I've been a satisfied customer, but I've never thought very deeply about why or about how Kaiser Permanente evolved. Anyway, I think I was invited because I might be able to place this material into larger contexts of U.S. political history. The interview transcripts show a great deal of concern, by Martin and Drs. Crosson and Lawrence, for the narratives they set up in the course of their conversations. Most strikingly, the biggest disagreement between the two doctors, looking back and interpreting their careers, seems to be an internalist versus an outward-looking perspective, the primacy of the core values of the enterprise versus its responses to the marketplace -- or at least proper balance between the two. And this difference is interesting because both narratives are very internalist in another sense.

These documents are not really political histories except inasmuch as we might call them political histories of Kaiser Permanente as an institution, and both Crosson and Lawrence (and Martin as well) are alive to the ways we can compare the history of Kaiser to the history of the United States, especially when they are discussing the idea of federation and of an organization that includes regions with different kinds of medical groups with different historical experiences. One way to see this distinction is as a Hamiltonian Lawrence confronting a Jeffersonian Crosson, with Lawrence emphasizing the need for a strong center so that the institution can survive in a hostile world while Crosson worries that a strong center will inevitably be coercive and destroy the local freedom at the heart of the institution's value system. The analogy to the United States is more a game they play in the interviews than a serious historical claim about the shape of the actual history of Kaiser, though they play this game rather more than we might expect.

For the story conveyed in these narratives to be part of a larger political history we will need to know more about the political system in which it worked, including demographic data about actual and potential patient populations, all presumably readily available. But most of all, we would expect the interviews to answer the question of what the Kaiser story contributes to the larger political narrative of the history of healthcare in the United States, and here I must confess that I'm not sure what answer the interviews offer. To the extent that we get this kind of political context, it is mostly about how the larger political system and political economy affected Kaiser, even buffeted it around. The main way Kaiser affects anything outside itself in these times is to be held up as a model to be followed, as I will assume it actually was. We don't really see Kaiser shaping the outside world around it. Perhaps this subject is addressed in other interviews or can happen further down the line in the project, but the focus in these two texts is on how the outside

world shaped Kaiser, in combination with fully internalist factors such as (especially) the culture of its core values.

What these interviews really offer is a business history. This is hardly an earth-shattering conclusion, but it is the story of how a particular organization was put together, the challenges it faced, how and how well it addressed or adapted to them, and the degree to which it stayed the same or changed from one time to another, essentially Tahoe I to Tahoe II. A major dynamic in the two oral histories, actually, maps directly onto one of the major heuristic or methodological questions in both political and business history right now: whether a story of institutional change and development is better explained by -- or was actually driven by -- institutional or ideological factors.

The Crosson interview suggests an answer based in the ideological mode of analysis: to really understand Kaiser, we must start with its set of core values. Calling these values Kaiser's "genetic code" is a giveaway that we are in the realm of ideological causation here. This story of institutional change is a story with a moral, in which players are to be judged by how well they preserve a founding vision over time, including (especially) as conditions around them change.

To read the Lawrence interview is to get entirely different perspective. Here, we would judge the players by the institution's survival in a tough environment. Lawrence is forthright in saying that "values" are appropriate only if they work at a particular time, that they are just sets of practices that were adopted at particular times to solve particular problems. There is no moral in this story. In fact, if the organization had collapsed, the collapse would mean only that it was no longer the best or most appropriate structure for the marketplace. A collapse of Kaiser would be a failure and a tragedy to Crosson; It would be a failure to Lawrence, but not a tragedy.

The interviews sometimes hint at other analytical models as well: a pluralist model where outcomes result from the conflict and competition of interest groups with their own agendas and sets of resources, making it the analyst's task to sort these into a story that then makes sense. Or, we see hints of incrementalism, in which the players prefer the least change possible, not because they necessarily believe that they have the best model, which should be retained because it is the best, but because they happen to have that particular model, and find tinkering with it to be less dangerous and easier for them to conceptualize than major or revolutionary changes.

The tensions among these models are sometimes up-front, on the surface, as Martin finds himself changing the subject, in the course of both interviews, from Kaiser's "core values" to its role in the Clinton healthcare reform effort, a transition I don't think he fully manages to pull off in these two interviews, though he may well have clearer success with this in interviews I have not seen.

But a striking thing about reading these two documents is that the way they disagree with each other is so fully predictable from their starting points. I did not understand the components of Kaiser before I read the Crosson interview, but I learned what he didn't like about Lawrence's management style, how he saw himself as rescuer of the values -- and then I watched Lawrence say, essentially, yes, Crosson is exactly right about the "what" but totally wrong about the "why" and, most of all, about the meaning, the "so-what." These two guys think in different ways, and

it does not look like this was only because of their roles in the organization; they had those roles, worked well in them, because they thought in those ways -- Crosson's concern with rescuing the values, Lawrence's concern with building and maintaining a working business.

For Crosson, Kaiser has been a success because it has preserved the core values of group practice, prepayment, comprehensive benefits, possibly also affordability and mutual exclusivity. It is still doing these things after all these years and crises. This is like saying the United States is a success because, and to the extent that, Americans are still living by the values and practices of the founding fathers such as Thomas Jefferson and James Madison. I would note that this is an argument with which I have no sympathy at all; I do not find the example of founding fathers who owned human beings very attractive.

For Lawrence, Kaiser has been a success because it has preserved a complex organization by building in the flexibility needed to navigate in an environment of increasing and bewildering complexity, that is, precisely because it did not do what Crosson would have preferred. While I am in no position to take sides on the empirical truth of this disagreement -- whose approach has actually been better for Kaiser -- I would say that, reading these interviews, I like Crosson more but am more in sympathy with Lawrence's metrics for success. I would tend to agree with him that 60 year old values may or may not be appropriate, but that the fact that they are 60 years old and some sense "ours" is completely irrelevant to determining whether they are appropriate as the measures of success. Applying such originalist thinking to the political history of the United States would make it a sort of lapse that the nation abolished slavery, which seems to have been rather an improvement. So, as a historian, I would tend to go with Lawrence, though I am pretty much certain that I would rather have Crosson as my doctor.

In sum, I learned an enormous amount from reading these transcripts, about Kaiser, about healthcare institutions, and about oral history as historical evidence. I hope I have been able give you at least something back in return.