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High profile: Dr. John C. Goodman



By MICHAEL E. YOUNG / The Dallas Morning News

In his dark suit, white shirt and complementary tie, Dr. John C. Goodman appears an unlikely revolutionary.

But in the North Dallas offices of the National Center for Policy Analysis, Dr. Goodman and others on his team plot seismic shifts in American society, from medical care to education, taxes to retirement.

"People have to have the freedom to make the important decisions in their lives," says Dr. Goodman, 57. The health care market is Dr. Goodman's particular specialty, though his doctorate is in economics, and the man *The Wall Street Journal* called "the father of medical savings accounts" has led the effort to give patients and doctors the final say in health treatment.

Expanding and protecting the rights of individuals is at the core of Dr. Goodman's philosophy of government and reflects the positions of the National Center for Policy Analysis, which he leads as president. The group and its leader have become a voice listened to by those who favor free-market solutions to societal problems.

"We give a lot of congressional briefings for staff members, and in those rooms, the split is usually 50-50," says Pierre "Pete" du Pont, former governor of Delaware, a Republican presidential candidate in 1988 and now a board member of the NCPA.

"Dr. Goodman doesn't enrage people. They don't listen to him and say, 'That kind of stuff shouldn't even be spoken here.'

"They might not agree, but they listen. When he's done, people will either say, 'That's right' or 'That's interesting, and I'll think about it.' "

And Dr. Goodman's ideas have won the attention of both the left and the right in Washington.

"It's difficult to overstate his influence," says U.S. Sen. Kay Bailey Hutchison, a Texas Republican. "John is an extremely effective advocate for conservative, free-market principles in public policy."

"Dr. Goodman is a first-rate health care economist, and his contributions to the national discussion of the issue have been enormous," says Robert E. Moffitt, director of the Center for Health Policy Studies at the Heritage

Foundation, a conservative think tank in Washington.

"Clearly he has been the intellectual godfather of the health savings account, which was not a mainstream idea at all but is now law," Mr. Moffitt said. "He was a guy who managed to stay in the game and finally won a huge victory."

How huge? Gauge that by his opposition, Mr. Moffitt says. Just days after Congress voted to legalize tax-exempt health savings accounts late last year – they had existed only on a limited basis – Sen. Edward M. Kennedy introduced a bill to repeal them.

"One thing you can say about Sen. Edward Kennedy is he is the commander-in-chief of liberals in Congress on health policy, and he very ably reflects the thinking of left-wing health policy," Mr. Moffitt says.

"And the first thing he wants to do is repeal a law that establishes John Goodman's health savings accounts."

Kennedy spokesman Jim Manley agreed that Dr. Goodman is well known to congressional staffers – and said the senator considers health savings plans "a fatally flawed proposal that provides more tax breaks for the rich but does little to help the uninsured in this country."

Waco roots

Born in Champaign, Ill., but soon settled in Waco, Dr. Goodman grew up in what he calls "a small-town environment, with sort of a small-town view of the world."

His father was a lawyer; his mother stayed at home to raise him and two siblings. And even with a university in town, Waco was a settled-in kind of place.

"Waco was a very conservative environment, and they didn't encourage people to question the prevailing attitudes," Dr. Goodman says.

"But then I went off to the University of Texas. And in Austin, they encouraged people to question everything."

Even in the mid-1960s, in the blooming of the free-speech movement and the pre-dawn of campus revolution, Dr. Goodman pursued the road less-traveled, a radical far from the radical chic.

"Once I began questioning things and exploring, I'd get together with a few other students and we'd go read books that weren't allowed in the classroom," he says. "I majored in economics, but no economics class I had had a book by Milton Friedman in it. So I discovered him on my own."

Today, Dr. Goodman's ideas are often described as conservative. He sees himself as libertarian or "classical liberal."

"The classical liberals were reformers – abolitionists and suffragettes – and this is one reason I don't like the label 'conservative,' " he says.

"Classical liberalism in the 19th century centered on the expansion of people's rights. So when I think of what I do today, and our institute

does, we're very involved in reform and sometimes radical reform."

After graduation, Dr. Goodman set off for Columbia University in New York. And if Austin had been eye-opening for a young man from Waco, New York City was a whole different world.

"I was very libertarian, and you could fit all of the libertarians at Columbia into a living room," he said.

"All of my classmates in the economics school were left of center, and many of them were Marxist. They probably regarded me as a curiosity because the thinking was the world was moving toward collectivism.

"It wasn't until the 1980s that it began to dawn on people that maybe we could turn this around and go the other way."

A political bent

Long fascinated by politics – Dr. Goodman was vice president of the student body at UT, losing the presidency to Lloyd Doggett, now a Texas congressman – he wrote his Columbia dissertation on applying economic theory to politics.

"And that's one of the reasons why I was so interested in starting a think tank that focused on policy questions," he said.

He taught at Sarah Lawrence and Columbia in the mid-'70s as he worked toward his doctorate.

After earning his doctorate in 1976, Dr. Goodman spent a year on a

fellowship at Stanford, then taught at Dartmouth.

He returned to Texas, teaching at Southern Methodist University and the University of Dallas, where he met his soon-to-be wife, Jeanette.

In 1978, Dr. Goodman was asked to write a study of the British National Health system. He then sought to apply those lessons to the U.S. health care system, and that was the genesis of the National Center for Policy Analysis, which he formally founded in 1983.

"Here's a guy who started out with his wife, working in a room with one secondhand desk and boxes of paper and a telephone, and he says, 'We're going to put together a think tank,' " Mr. du Pont says.

"And then he came up with medical savings plans and wrote *Patient Power*," his 1992 book on health care in America (abridged, paperback editions: Cato Inst., \$4.95).

"It was absolutely extraordinary for one person not only to be bright enough to do that, but to have the communication skills to bring it all to pass," Mr. du Pont says.

Aside from policies

Asked what he does for fun, Dr. Goodman fumbles for an answer.

"You mean besides this?" he says.

Finally, he offers a few diversions. When he travels someplace new on business, he likes to poke around, take in the sights.

And if that someplace is one of the golden corners of the globe, such as Queensland, Australia, or Belize, he enjoys diving on their majestic reefs.

A few days later, he calls, almost breathless. "My wife reminded me that I love doing crossword puzzles," he says. "I do the *New York Times*' in ink."

But the plain truth is that for a policy guy, there isn't much time for anything else. Reading and writing consume big chunks of his days.

He travels frequently for speaking engagements, and he shuttles back and forth to Washington for briefings and consultations.

The NCPA, largely financed by several right-leaning foundations, has offices in both Dallas and Washington, a board of directors, a staff of policy experts and ties with some of the great thinkers in academia, and Dr. Goodman is the liaison.

And with his health savings plan idea gaining traction, he focuses on other issues: school choice, Social Security, retirement, U.S. tax law.

All of those draw the NCPA into the political realm, the main reason for the office in Washington.

But Dallas remains its home, and for a reason.

"We're not headquartered in Washington because we want to study and think about fundamental forms of institutions and not worry about what's politically acceptable," Dr. Goodman said.

Bridgett Wagner, who studied under Dr. Goodman at the University of Dallas and later worked with him on his study of the British health system, said Dr. Goodman was always adamant about being based in Dallas.

"He wanted to retain the perspective of the heartland, something he was very conscious of," says Ms. Wagner, now an executive with the Heritage Foundation.

"He wanted to be in touch with the economy and with people who don't do politics for a living."

Officially, the NCPA is nonpartisan. But there's no denying that it has found most of its political allies among the Republicans. Still, its guiding philosophy of individual empowerment manages to annoy major constituents of both parties.

The constraints of constituencies chafe at Dr. Goodman.

"I realized when I lost the student body presidency back in college that politicians don't have many degrees of

freedom," he said. "If you want to win, you have to endorse certain ideas and do certain things.

"What really changes the world are ideas, not politicians."

And when ideas and politics clash, he's no politician.

At the moment of his greatest triumph, shortly before health savings plans won congressional approval as part of a huge Medicare bill, Dr. Goodman had to do a most painful thing.

Convinced that the nation faced ruinous payments for expanding the drug entitlement program, he opposed the bill.

"Even though this was the vehicle for an idea he had championed over the years, he felt the Medicare bill was a huge mistake," Mr. Moffitt says.

"I think that says a lot of very positive things about him."

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What are health savings accounts?

Health savings accounts are sort of a cross between a flexible health care spending account and a 401(k). You contribute pretax money and use the money to pay for most of the costs of health care that your insurance doesn't cover. The money grows tax-free and can be rolled over from year to year.

Supporters say the accounts give users control over their health care spending and will rein in health costs. Opponents say the plans help the healthy and the affluent, and will drive up costs.

Dr. John Goodman

Birth date and place:

May 22, 1946, Champaign, Ill.

Current job:

President, National Center for Policy Analysis

Family:

Wife, Jeanette; daughter, Kara, 35

Advice I would give a 20-year-old:

Discover the power of compound interest

My last meal would be:

A hamburger with chili, cheese and onions

My trademark cliché or expression:

Why? or Why not?

My worst habit is:

Being a perfectionist

My best asset is:

My wife

Guests at my fantasy dinner party would be:

Economists Milton Friedman, Friedrich Hayek, Frank Knight and Adam Smith

I'm happiest when I'm:

Discovering a new idea

Favorite music:

"The Liebestod" from Wagner's Tristan und Isolde

Favorite novel:

Ayn Rand's *The Fountainhead*

Favorite movies:

High Noon and Shane

If I could change one thing about myself, I'd:

Have a musical ear

I regret:

"Regrets, I've had a few; but then again, too few to mention." – from "My Way"