



A POLICY PRESCRIPTION FOR 2010

date

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On the web

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Mission: To empower communities through the provision of timely and insightful analysis of the current and future landscape of the policy and politics of health care

A Health Reform Odyssey

Many would say that the election of Barack Obama as the 44th President of the United States was predicated on one major factor - the faltering American economy. Accounting for one-sixth of this massive economy (roughly \$2.2 trillion), the health care sector is both vast and personal. Health care reform, or more accurately, health insurance reform was one of the President's most prominent campaign issues and over the span of the past year probably his most passionate concern. Several positive steps have been taken over the last 12 months: expansion of the Children's Health Insurance Plan, investments in comparative effectiveness research and health information technology, and a commitment to universal access to health care for all Americans. In this new year, we outline a set of principles upon which policy makers should base their decisions for health reform.

Five Prescriptions for Health Reform

Since the turn of the 20th century, American Presidents and presidential hopefuls have advocated for changes to the way in which the United States delivers health care. Theodore Roosevelt and the Progressive party were among the first to advocate for national health care coverage. Roosevelt was thwarted and the struggle to make health care in the United States a universal phenomenon has continued into the present. Truman, Carter, and Clinton all attempted to provide health care to all Americans. But success arrived in limited fashion when Lyndon Johnson signed the Medicare law in 1965 creating universal health care for seniors. Our nation's current passion for universal coverage has been championed by the President and his dear friend, the late Senator Ted Kennedy. We too, at Policy Prescriptions, believe that "what we face is above all a moral issue" and that health care ought to be universal in America. The following are our five prescriptions for health reform.

Create a Multi-payer Universal Health Care System

There are as many health care systems as there are nations in this world; each one a consequence of the unique cultural phenomena taking place within each country. Health care systems vary dramatically from ones where coverage is guaranteed by a government for all its citizens, others where government requires that citizens be responsible for ensuring their own coverage, and yet others where health care is a voluntary endeavor. Other than for senior citizens, health coverage in America is largely voluntary and as a result falls far short of achieving universality.

Nations such as Great Britain and Canada provide health care as a right to all their citizens. Germany puts responsibility on individuals to enroll in one of many available sickness funds which are associated with employers. Nations such as Switzerland and the Netherlands require their citizens to purchase health coverage in a well regulated (and therefore more equitable and less imperfect) health insurance marketplace.

To each nation, a uniquely tailored system. However, many would argue that in the United States, we possess a non-system. In order to craft a rational health care system from what currently exists, the United States does not require radical deviation from the status quo but only tighter regulation of a fractured health insurance marketplace and a re-alignment of incentives.

The main goal of health reform should be universality. A rational health care system should seek to provide continuous care to patients, regardless of health status, and strive for quality care that is affordable for both individuals and society. A multi-payer system with robust patient protections (such as guaranteed issue, guaranteed renewal, and modified community rating) coupled with a citizenry responsible enough that all individuals will obtain their own health coverage can achieve such goals.

Focus on Health Care Quality

We deliver intensive care; we deliver life saving and life changing care. However, our health care system must focus on providing quality care. Quality care is defined as that which is safe, timely, effective, efficient, equitable, and patient-centered. These are the keys to improving the health and well-being of America. Strategies to align incentives and improve the quality of care such as pay-for-performance should continue. The risks and rewards of pay-for-performance, however, need to be magnified in order for it to serve as an effective stimulus for quality.

Additional tools such as comparative effectiveness research will permit clinicians to make critical health decisions in a more rational manner. Health information technology will ultimately, though not immediately, improve efficiencies in health care, minimize variations in practice, and reduce the risk of serious medical error.

However, when patients fail to receive health care that is safe and whenever injury occurs, a mechanism to provide compensation for bad outcomes without focusing blame on health care providers must be established. We need malpractice reform to prevent abuses and prevent

defensive medicine; but we also need to focus on patient safety and patient outcomes whether or not a patient's injuries are a consequence of negligence.

Even more importantly, we need a universal medical record accessible by all clinicians, with the authorization of each patient, in order to reduce the redundancy and inefficiency in the health care system. Americans already trust the security of their financial information; the health care industry needs to develop a trustworthy parallel and a reliable mechanism to allow authorized clinicians access to the personal health information of any patient, any where, at any time.

Foster a Diverse, Well-Distributed Health Care Workforce Focused on Primary Care

The health care workforce needs to expand to cover the increasing needs of our aging society. However, we cannot go about expanding the workforce in the same way as has happened in past generations. Selecting medical school entrants from the privileged sections of society does little to reduce the impact of health disparities or the maldistribution of clinicians in underrepresented urban and rural communities. Medical schools must find ways to attract and retain students from America's minority, impoverished, and middle-class populations.

Additionally, medical education in the 21st century must encourage a focus on primary care and community involvement - two aspects of medicine that are rapidly vanishing. Otherwise, the decline of endangered medical specialties - internal medicine, pediatrics, family medicine, and general surgery - will only continue. Physicians must become more than just clinicians; they must become effective managers of midlevel practitioners and passionate advocates for their patients.

Engage in a Discussion about the Purpose of Health Insurance Benefits

As we expand care to those currently without it, American society must finally engage in a frank discussion about the purpose and extent of health insurance. Much like how we have made a distinction that oil changes and rotating tires is not something for which car insurance was intended, we must agree upon which health care services should and should not be covered by basic health insurance. Health insurance serves as financial protection against rare and unpredictable events. Sometimes insurance includes the pre-payment for necessary services such as annual physicals and preventive screenings. Yet, certainly we can agree that not every medical service requires the pooling of risk. Society must decide which of these health care services should be paid for by individual patients as the need arises.

Determine an Equitable Financing Scheme for Health Care

The funding of the American health care system is fractured and inequitable. Ever since the Internal Revenue Service exempted employer-sponsored health insurance from taxable income, there have been distortions in the health insurance marketplace. Not only are employers who purchase health insurance more likely to purchase more than they need; employees, by being shielded from the true cost of insurance, are equally likely to consume more health care services than they otherwise would. All the while, those who obtain health insurance individually are not afforded this same tax benefit and face a peculiar inequality in their access to health care.

The United States Treasury has simultaneously forfeited substantial amounts of tax revenue because of this tax exemption, enough revenue to pay for the current reform proposals discussed by Congress. Removing the tax exemption for employer-sponsored health insurance could pay for health reform and the expansion of coverage to the uninsured. But at a minimum, the tax treatment of health insurance - whether employer-sponsored or individually purchased - should be the same. Which route to choose is a political decision; but, by exempting from taxation health insurance, our nation will encourage better health among its citizens.

Conclusion

In a nation as wealthy as the United States, that a single person goes without necessary health care is an inexcusable offense. Today, America is at the brink of establishing a health care system tailored specifically to our society - one that expects personal responsibility to obtain health insurance and couples it with the promise of hassle-free, rejection-free, affordable coverage from multiple private and public payers. Such a health care system must focus on patients and the quality of care provided by a workforce that is currently in short supply in some areas and poor in diversity in almost all others. Americans must now engage in a legitimate discussion about the role of health insurance and the extent of benefits required of our health insurance carriers. And we must provide for a system that is financially equitable regardless of an individual's employment status or ability to pay. Now it is time for us craft a multi-payer universal health care system which will provide our communities equitable, safe, and better health and well-being.

Health insurance MARKET REFORMS are critical to reform

our health system should return to modified community rating, guaranteed issue, and guaranteed renewal of insurance

Patients should be GUARANTEED RENEWAL of health care coverage

guaranteed renewability provides a market-based mechanism for protecting against the worst kind of risk segmentation

Patients should be protected against PRE-EXISTING CONDITION EXCLUSIONS

only six states currently require guaranteed issue & protect against these exclusions

DISCOURAGE SMOKING by charging smokers more for health insurance than nonsmokers

health costs for smokers at a given age are 40% higher than those for nonsmokers

Every American has a RESPONSIBILITY to obtain insurance

mandates promote coverage and symbolize our commitment to universal coverage

mandates help reduce the "free-riders" in the health system

Patients CAN'T WAIT UNTIL 2014 for reforms to take effect

62.1% of all bankruptcies in 2007 were medical
three-fourths of these people had health insurance

Fill the MEDICARE DONUT HOLE now

26% of Medicare Part D enrollees reached the coverage gap in 2007

CONSCIENCE PROTECTIONS for health care providers

a conscience clause reflects the ethical principles of freedom and respect for all individuals
shelters providers against discrimination or penalties when expressing religious or moral beliefs

Take MEDICAL MALPRACTICE reforms more seriously

new surgeons are 3 times more likely to practice where reforms are in effect
states with reforms have up to 9 percent slower growth in medical costs

Help reduce the burden of MEDICAL EDUCATIONAL DEBT

doctors with any medical debt are 90-98% less likely to practice in medically under-served communities
paying off the medical debt of every medical graduate would amount to less than 2% the cost of proposed health reform

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