

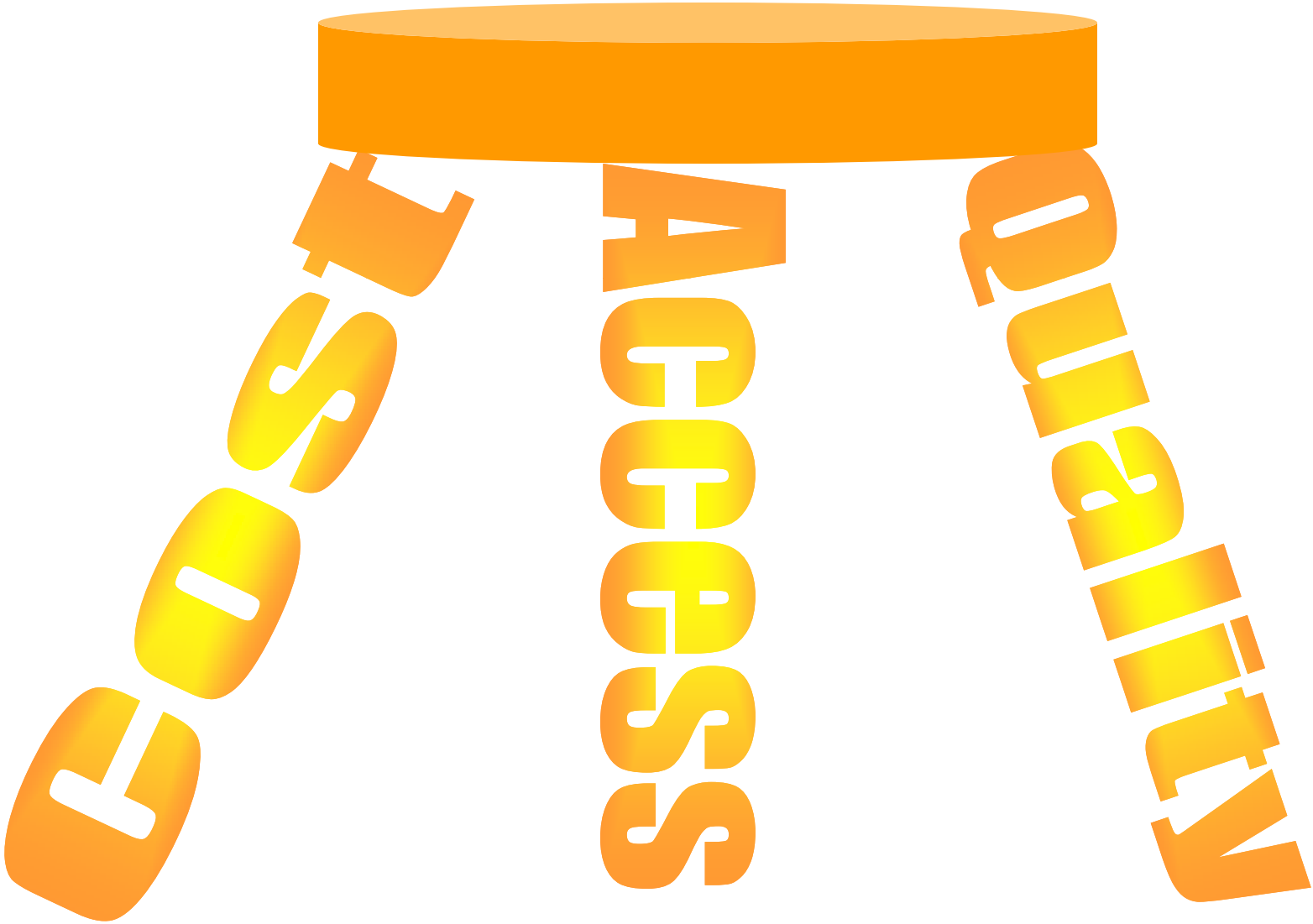
National Health Insurance: Prospects & Pressure Points

Tom Mayo

SMU & UT-Southwestern

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Health Policy



Health Reform Debate

Access

- ~50 million uninsured
- Employment based health insurance + recession = increased loss of insurance

Increasing Problems
of Health Care Access

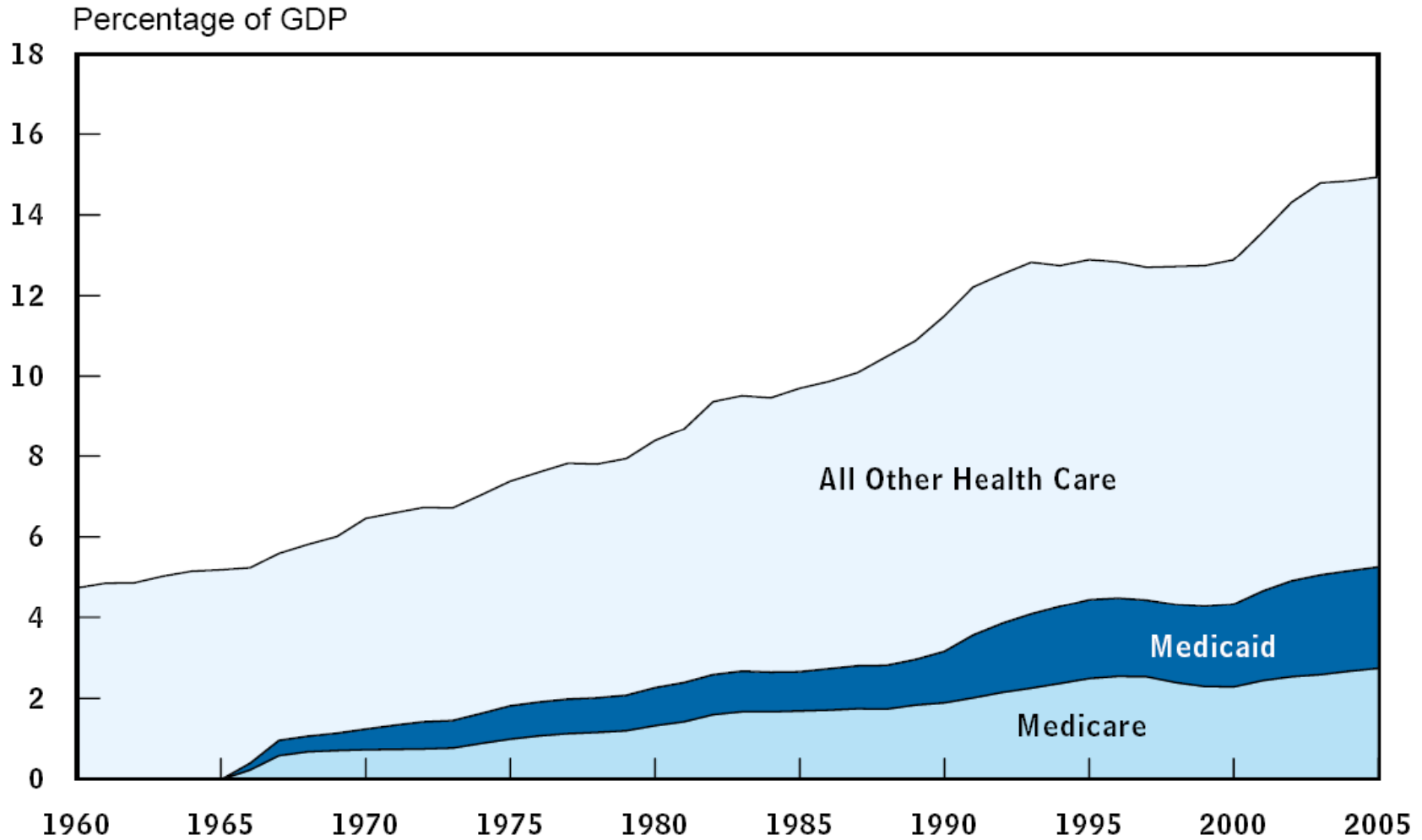


86.7 Million

Americans were Uninsured at
Some Point in 2007 & 2008

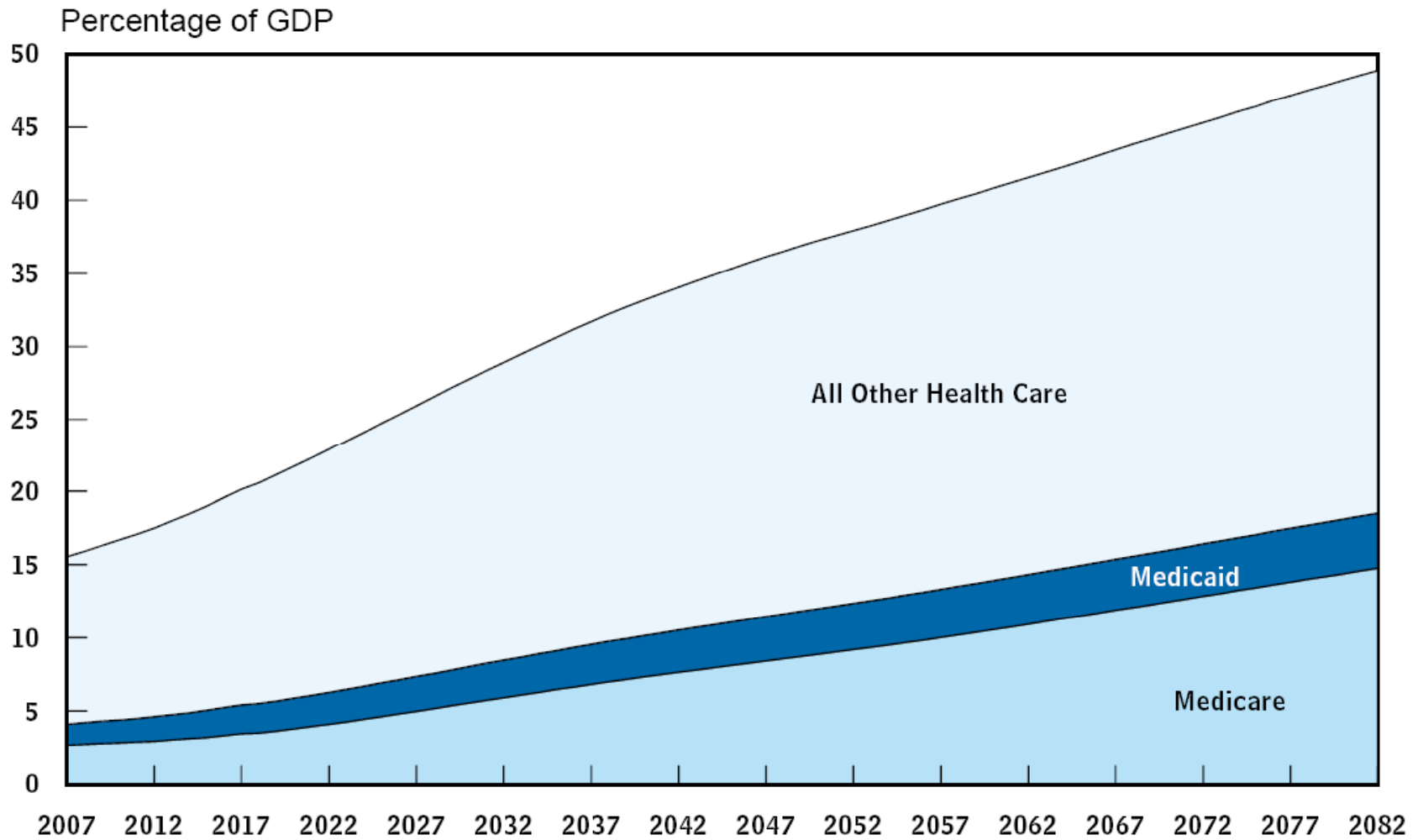


Spending on Health Care





Projected Spending on Health Care



The path to incrementalism

- Obama: no plan
 - Propose broad goals
 - Goad Congress into producing House and Senate bills
 - Move all the action to the Conference Committee

The path to incrementalism

- Obama's 8 points
 1. Reduce long-term growth of health care costs for businesses and government
 2. Protect families from bankruptcy or debt because of health care costs
 3. Guarantee choice of doctors and health plans

The path to incrementalism

4. Invest in prevention and wellness
5. Improve patient safety and quality of care
6. Assure affordable, quality health coverage for all Americans
7. Maintain coverage when you change or lose your job
8. End barriers to coverage for people with pre-existing medical conditions

The path to incrementalism

- Budget: \$634 billion over 10 years (“historic downpayment”)
 - Funded from reductions in rate of growth of Medicare & limiting tax breaks for high-income individuals

The path to incrementalism

- House and Senate left to design their own plans
 - House” “tri-committee” approach
 - Energy & Commerce (Henry Waxman, chair)
 - Ways & Means (Charles Rangel, chair)
 - Education & Labor (George Miller, chair)
 - Senate: 2 committees, 2 paths
 - Senate Finance Committee (Baucus, chair)
 - Health, Education, Labor & Pensions (“HELP”) (Kennedy/Dodd, chair)

Where we are now

- H.R. 3200 (“America’s Affordable Health Choices Act”) voted out of two committees with amendments
 - Most of the 8 Obama goals are addressed
 - Gradually close Medicare Part D “doughnut hole”
 - Eliminate Medicare deductibles and co-payments for preventive services

Where we are now

- Add Medicare coverage for physicians providing end-of-life services
 - Attacked as “road to rationing” and “euthanasia”
- Blue Dog Democrats on Energy and Commerce block vote
- Blue Dogs in House threaten to block floor vote
- No floor vote planned before Senate proposes its bill

Where we are now

- Senate HELP voted out a bill (7/15: 13-10); it would:
 - create a series of health exchanges with subsidies
 - create a public plan as an option
 - forbid insurers from denying coverage on the basis of pre-existing conditions

Where we are now

- Senate HELP voted out a bill (7/15: 13-10); it would:
 - require all individuals to purchase insurance, except in hardship cases, and
 - require all but the smallest companies (>25) to offer coverage to their workers or pay a penalty (\$750/\$350).
- Understood to be a draft bill that would be melded into Finance Committee bill

Inside the Finance Committee

- Bipartisan compromises stray from tenets of the 8 Obama goals
- “Public option” losing support
- New Medicare commission to hold down costs
- End of SCHIP, reduce benefits for 11 million children currently enrolled
- No vote scheduled before recess (starts Aug. 8)

The ragged edge of policy

- How will we pay for reform?
 - CBO's \$1 trillion estimate: how real?
 - How much will reform pay for itself?
 - Medicare reductions: how large?
 - Can any new taxes survive in the House? Senate?
- Is Massachusetts a guide?
 - Improve access first
 - Cost controls follow

The ragged edge of policy

- Whither quality?
 - EHR requires massive up-front investment
 - Gains in efficiency and quality are long-term
 - “Less care is better care” – is there evidence to back this up?

The ragged edge of policy

- The cost of incrementalism
 - Private insurance preserved
 - No single-payer plan
 - No Federal Reserve Board-style health care council
 - No physician-payment reform