



Senate II

Healthcare Reform

By Sho Shetty

Introduction

The first call for healthcare reform in the United States began nearly a century ago. In his 1912 presidential election, Theodore Roosevelt incorporated healthcare reform into his political platform. In the 98 years since, the US has grown from a fledgling state into the world's largest economy and only remaining military superpower. However, the US still lacks a successful, affordable healthcare system, and a recent World Health Organization (WHO) study ranked US healthcare system just 37th in the world.

Now, for the first time since the failed Clinton-era initiatives of the early 1990s, healthcare reform has become a national issue. Members of the 111th Congress are truly seeking to change and improve the current system. This rebirth of substantive healthcare debate has arisen because of widely discussed issues with the current healthcare system: the breadth of healthcare coverage, rising healthcare costs, and quality of care.

Commonly cited figures indicate that more than 45 million people—over one-seventh of the US population—have no insurance. Being uninsured can limit a person's access to care and their ability to pay for the care they receive. Costs are rising for nearly everyone, and the country now likely spends over \$2.5 trillion—more than 17% of its **gross domestic product (GDP)**—on healthcare services, a figure that far outstrips any other industrialized nation. Despite this lavish spending, the US has surprisingly average—and in some cases sub-par—scores on international studies of healthcare quality, and many citizens do not receive adequate standards of care. All of these concerns have been prominent in both congressional debates and proposed legislation.

As if the numbers aren't daunting enough, healthcare reform is far more complex than it may seem at first glance. Not only are the three major healthcare issues intertwined, but potential solutions struggle to improve all three facets of the healthcare debate, often improving one problem area only to exacerbate another.

Gross Domestic Product (GDP)—*basic measure of an economy's performance, market value of all final goods and services made within the borders of a nation for a year*

Explanation of the Problem

Coverage

Unlike in many other western, industrialized nations, US healthcare is provided by private companies. The government does provide health insurance for specific sectors of the population, such as the elderly, mili-

tary veterans, and the poor. However, most people receive health coverage through their employer or by individually purchasing insurance from a private company. Employer-based insurance, which covers around 60% of the US population, involves a company purchasing private insurance plans for all its workers, and including these plans as part of the workers' salaries.

A major drawback to this system is that it does not provide universal coverage. A recent study by the **U.S. Census Bureau** found that approximately 45.7 million individuals are without any form of health insurance during 2007—with even more qualifying as “underinsured,” or individuals with health insurance that only covers a small portion of their total medical costs. Proponents of adopting universal coverage note that this figure is actually lower than in previous years due to increases in government programs such as Medicaid and the **State Children's Health Insurance Program (SCHIP)**. On the other hand, the number of uninsured individuals is likely to increase because of the current recession.

The advocacy group, Families USA, reports that the uninsured are more likely to postpone or neglect obtaining proper care, which includes screening and preventative tests that can help detect health problems in the early stages. Moreover, uninsured individuals frequent emergency rooms, as they are less likely to have a regular source of care. Emergency rooms are required by law to provide care to all patients, regardless of whether a patient is able to pay for the treatment. This leads to increased healthcare costs—as ER visits are more expensive than preventative care—as well as overcrowded emergency rooms and decreased quality of care. Additionally, because the government does not fully reimburse hospitals, which are usually privately-owned non-profit organizations, many hospitals have closed or reduced the size of their emergency rooms, a fact that makes it even more difficult for the uninsured to receive access to healthcare.

Cost and Spending

The **Congressional Budget Office (CBO)** has cautioned that “as healthcare spending consumes a greater and greater share of the nation's economic output in the future, Americans will be faced with increasingly difficult choices between healthcare and other priorities.” These comments come as a response to the CBO's published findings that the percentage of GDP spent on healthcare has increased from 7.2% in 1970 to more than 17% in 2009. This amounts to more than \$2.5 trillion per year, or \$6714 **per capita**. All three current figures far surpass the amount spent on healthcare by any other industrialized nation in the world. Even more troubling is the CBO predicts that by 2025, healthcare spending will be 25% of GDP, a rapid and unsustainable rise in costs.

U.S. Census Bureau—organization charged with compiling data of nation's people and economy

State Child Health Insurance Program (SCHIP)—program administered by the United States Department of Health and Human Services that provides matching funds to states for health insurance to families with children, for uninsured children in families with modest incomes, but too high to qualify for Medicaid.

Congressional Budget Office (CBO)—federal agency within the legislative branch of the United States government, government agency that provides economic data to Congress.

per capita—per person

Furthermore, much of the US healthcare costs come from activities that aren't even direct healthcare spending. A recent study by researchers at Harvard Medical School concluded that 31% of the total healthcare spending in the US goes simply to administrative costs. Opponents of the current healthcare system claim this is a product of the decentralized healthcare system in the US, which contains hundreds of different insurance companies. These pundits note that administrative costs in Canada, where all healthcare costs are covered by a single payer—the government—are less than half of those in the US in terms of percentage of total costs.

While most people agree that healthcare costs must be contained, it is unclear how these cost reductions can be accomplished while maintaining—or even expanding—current levels of healthcare coverage and quality. In fact, many opponents of a federal healthcare plan note the costs that would likely accompany any significant increase in coverage, explaining that any increases in government spending towards healthcare may prove dangerous, irreversible, and unaffordable—particularly given the rapidly increasing **public debt**, which now amounts to more than \$11 trillion.

Quality

In spite of the fact that the United States spends exorbitant amounts of money on healthcare every year, the US receives only average, and in some cases sub-par, scores on “quality-of-care” indicators. A recent **Center for Disease Control and Prevention (CDC)** report ranked the United States 29th in the world in infant mortality for 2004. These statistics point to the fact that Americans—at least on average—receive very low-quality healthcare given the amount of money they are spending each year.

At the same time, the World Health Organization (WHO) reports that the US ranked first in the world in “healthcare responsiveness.” This indicates that, despite its incomplete coverage and exorbitant costs, the US healthcare system does give quickly accessible, high quality care to the people who are able to afford it or who have good health insurance.

There have been initiatives to improve the quality of healthcare, but they are often overshadowed by concerns about breadth of coverage and healthcare costs. There is observable progress, such as alleviating the systemic problem of medical errors and improving adherence to evidence-based practice or clinical practice guidelines; however, these are only applying small solutions to a much larger problem in need of reform.

public debt—*The current amount of money owed by the federal government to its creditors*

Centers for Disease Control and Prevention (CDC)—*a federal agency in the Department of Health and Human Services; located in Atlanta; investigates, diagnoses and tries to control or prevent diseases (especially new and unusual diseases)*

Legislative Issues

The three main problems with the healthcare system have motivated legislators to begin debating healthcare reform. But the discussion regarding the issues centers around differing legislative viewpoints and potential solutions rather than abstract healthcare issues. Because healthcare reform has been debated and discussed in the past, many policy proposals are not new ideas. However, the current political climate may represent the best chance for healthcare reform in a long time. Consequently, it is important for all legislators to fully understand the various legislative proposals on the table in the 111th Congress.

The Scope of Reform

One of the major questions of the healthcare debate deals with just how much will be changed. Will legislation create major, wide-sweeping reforms that fundamentally alter the way healthcare is delivered in America? Or will reforms keep the current system in place while merely fixing small problems and inefficiencies?

There are obvious calls for assistance to the uninsured. However, there is also a call to first help those that are under-insured with their current coverage plans. Debate arises as to whether legislative initiatives should significantly change or affect the current private health insurance system. Proponents of major change argue that the system is broken, and does not offer sufficient coverage to individuals, often because private insurance companies require high **co-pays** and strictly limit the types of procedures that are covered under insurance plans.

Generally, the largest percentage of individuals who are currently uninsured in the United States comes from the age group under 65. It is generally assumed that meaningful healthcare reform cannot be achieved without specifically addressing this group. In fact, many political pundits would consider a plan that can cheaply effectively provide coverage and health care to these individuals a great success—even if that is the only reform enacted.

However, many other observers argue that true and comprehensive reform must address the parts of the healthcare system that are outdated or unsustainable. **Medicare**, the program often described as the “crown-jewel” of America’s current healthcare system because of its wide coverage and high quality care, hemorrhages money and is growing at a rate that cannot be maintained. Many believe that any healthcare reform must include a plan to reform the structure of Medicare to ensure its viability in the future. **Medicaid**, the other major public health program in the US, is also in the discussion. Many support expanding Medicare—which currently covers only about 40% of low-income

co-pay—A fee that an insured person must pay each time he uses a medical service. The exact price of a co-pay varies depending on the specific insurance policy.

Medicare—health care for the elderly; a federally administered system of health insurance available to all persons aged 65 and over

Medicaid—health care for low-income individuals and families; a federally and state-funded program

Americans—and offering healthcare options to all Americans, regardless of their incomes. Unfortunately, Medicaid costs are also rising at a rapid and unsustainable rate. Ultimately, not all methods of reform are equal, and it is the job of legislators to decide how just how far any changes will reach into the current system.

Public or Private Insurance

Since its inception, the United States has vehemently protected the tenets of capitalism. Some argue that government intervention in private sectors of the economy go against the capitalist tradition. However, with endeavors such as Medicare proving successful in offering quality healthcare, government sponsored healthcare coverage is quickly becoming a more widely-discussed possibility. Although some proposals blur the line between public and private healthcare options, there remain distinctions with regards to **financing, eligibility, and flexibility.**

The expansion of public programs is one proposed solution. Some advocate expanding Medicaid benefits to all individuals below the poverty line, as well as including some above the current income-ceilings. Moreover, eligibility requirements, such as being a dependent or a parent, could be abolished to allow more individuals access to care. Others propose Medicare could be expanded to allow those less than 65 years of age, possibly through a buy-in method.

Another hotly debated proposal is the creation of a “public option.” This would be a government-run healthcare plan that would function within the private sector. All uninsured individuals could pay a premium to subscribe to the public health plan, just as they would if they were buying coverage with a private insurance company. With government power and financing, the public option could have controlled costs and offer more protection than insurance generally offers.

Supporters of a public option also note that it could work within the free market to provide additional competition to private insurance companies, causing them to operate more efficiently and ultimately lower prices. However, critics argue that such competition would be unfair, since the public option would have the full funding of the US government behind it and could easily drive private companies out of business.

Employment-Based Insurance

While all people over 65 are covered by Medicare, most coverage for individuals under 65 years of age comes from employer-based insurance. In this type of insurance, an employer pays insurance premiums for all of its workers and provides they and their families with health insurance, effectively **in lieu of** additional base salary. The major benefit of employer-based insurance is that it is able to cover sick individuals as well as healthy ones. Because all individuals—sick and

financing—*obtain or provide money for, having ability to pay for*
eligibility—*qualified for or allowed or worthy of being chosen*
flexibility—*ability to adapt, vary, change*

in lieu of—*instead of*

healthy—pay the same premiums, the healthy individuals effectively subsidize the resulting healthcare costs of the sick ones, allowing the entire program to stay solvent. Other strengths of employer-based insurance include its ease of acquisition and special tax subsidies.

At the same time, employment-based insurance has shortcomings. It tends not to offer specified help for workers with individual needs. It can also restrict employees who may want to change jobs but are afraid to risk their health coverage. In addition, the fact that it is tied to a job can devastate a laid-off worker and his family. Employer-based healthcare is less successful when offered by small businesses, which, as they employ fewer people, have fewer individuals to balance out the insurance risk. Finally, employer-based insurance cannot cover the entire population. Unemployed individuals, as well as anyone who is self-employed or owns his or her own business, cannot by definition be covered by employer-based healthcare.

The debate concerning employment-based insurance will largely serve as a counterpoint to the debate of the public option. Observers and legislators differ over whether employment-based insurance is effective, and whether Congress should take steps, such as subsidies, to strengthen it.

The Cost of Reform

The potential costs of any restructuring are the dark cloud that hangs over any health reform proposals. The significance of new federal costs cannot be overlooked at a time when the country's deficits are rapidly escalating, as are the costs of federally-funded programs like Medicare. Those against health care reform find a truly substantive argument in questioning where the funding will come from for such an audacious undertaking. Solutions that require tax-payer money may leave some in financially-worse conditions, while leaving others in financially better positions as well as covered. This trade-off results in numerous debates over the responsibility of financing healthcare reform and how to go about achieving universal healthcare for the United States.

Not surprisingly, the most costly endeavor proposed by any legislation will be perhaps its most necessary: extending coverage to those currently uninsured in the present United States healthcare system. The size of the population and the need to pay for most, if not all, of the premiums for low-income families ensures that meaningful healthcare reform will be no easy—or cheap—endeavor. The most accurate estimate of the cost over a ten-year period is in excess of \$1 trillion.

The debate concerning healthcare reform is enflamed not only by its large price tag, but also by discussions on how to **offset** the costs. Although most individuals are not opposed to healthcare reform and increasing coverage, they are skeptical, and often times opposed, to the

offset—*compensate for or counterbalance*

proposed strategies to pay for healthcare reform. Some proponents suggest increasing taxes, an unpopular measure during the difficult economic times felt by most citizens. One proposed increase involves new **excise taxes** on products such as alcohol and sugar-sweetened beverages. Other policymakers propose limiting or eliminating the current tax exemption for employer-based health insurance. This solution is favored by many economists and experts, who view the tax exemption as both unfair and economically inefficient, but is opposed by a slight majority of citizens. Another option is to simply increase borrowing and deficit spending, which presents its own set of problems by increasing both the national debt and the US's dependence on foreign creditors. Others still propose reforming healthcare at the expense of other federal health programs like Medicare or Medicaid, or even other programs not directly related to health issues.

excise tax—*type of tax charged on goods produced within the country (as opposed to customs duties, charged on goods from outside the country). It is a tax on the production or sale of a good*

Political Ramifications

As with any charged political issue, legislators must consider the political ramifications of any bill. This is particularly true for healthcare, where the public holds somewhat idiosyncratic opinions on reform. For example, a majority of Americans believe the nation's healthcare system is in need of substantial changes, a figure that suggests popular support for broad reform. At the same time, however, more than 80% of Americans are satisfied with their current healthcare. It is important for lawmakers to keep in mind the politics involved in healthcare reform and create a bill that is not only beneficial to the uninsured, but politically appealing to the majority of Americans that are have health insurance and are satisfied with it.

Congressional Action

Medicare

With current subscriber rolls of more than 43 million people, Medicare is the largest government-run healthcare program in the United States. It provides health insurance for all Americans aged 65 or older, as well as many disabled individuals. Though Medicare wasn't signed into law until July 30, 1965, the call for a government-sponsored healthcare program began as early as 1945. President Truman addressed Congress in support of a healthcare plan, but was denounced by the **American Medical Association (AMA)** and the public alike, as opponents to increased government control called Truman's proposal communism. However, since its passage in 1965, Medicare has come to be accepted and supported by most of the American public.

In 1988, Congress attempted to pass the "Medicare Catastrophic Coverage Act," which would make large-scale changes, including prescription drug benefits. However, the proposed means of offsetting the

American Medical Association—*largest association of physicians and medical students in the United States, represents less than 20% of practicing physicians, primary purpose is to promote the financial wellbeing of its members*

price of these changes was having high-income seniors subsidizing low-income seniors through high premiums and **deductibles**, a plan that ultimately failed to gain enough popular support. A year later, these changes were undone by Congress.

In 1997 there was another attempt to change Medicare. The Clinton Administration began offering managed-care options such as Medicare + Choice and Advantage Plus in an attempt to privatize some parts of Medicare. The most widely discussed recent change is the Medicare Prescription Drug, Improvement, and Modernization Act, signed into law by George W. Bush in 2003, which added a prescription drug plan—as Medicare had previously only covered direct hospital and outpatient care—but is projected to cost more than \$1.2 trillion over the next ten years.

Though it is often called the “crown-jewel” of the current United States Healthcare system for its low deductibles and high enrollment, Medicare is not without significant problems. Although it is lauded for the benefits it offers to those in need, over the years it has bled money at a rate that many experts believe will be unsustainable in the future. As of 2007, Medicare cost \$440 billion—more than 16% of the federal budget. Even worse, costs are rising at a rapid rate, and experts project that Medicare will be insolvent by 2017.

Because of its high popularity, politicians often cite Medicare when devising strategies for improving or remodeling the healthcare system as a whole. Some hope to utilize the basic model of Medicare and expand it to include more individuals under coverage. However, Medicare’s troubled history and unsustainable spending pattern will certainly be issues in any attempts to expand Medicare or use it as a model. Others hope to do away with—or at least shrink—Medicare, but struggle to find a suitable replacement and to make cuts to such a politically popular program.

Medicaid

The premise of Medicaid is to provide health insurance primarily for families with low incomes. Funded jointly at the federal and state levels, Medicaid programs were set up to be administered by the states, while being monitored federally through the Centers for Medicare and Medicaid Services (CMS). The CMS deals primarily with ensuring consistency of service delivery, funding, and standards for eligibility.

Individuals in **intermediate care facilities** received care under Medicaid beginning in the 1970’s. Medicaid was expanded in 1985 to cover pregnant women and again in 1986 to cover illegal immigrants in emergency situations. However, Medicaid does not—and has never—covered all low-income individuals. Poverty itself is not the only quality necessary for coverage under Medicaid. In fact, Medicaid only provides assistance to about 40% of poor persons in the US.

deductible—*the portion of an insurance claim that an individual must pay himself*

intermediate care facility—*A health care facility for individuals who are disabled, elderly, or suffering from a chronic illness, usually providing less intensive care than that offered at a hospital*

Medicaid is another example of an important and effective government-sponsored healthcare program. However, like Medicare, it suffers from an exorbitant spending pattern and many bureaucratic flaws. While the program is emblematic of the ways in which government-sponsored programs can help the public and the uninsured, it is also an example of the government spending great sums of money in an attempt to move towards universal healthcare, inevitably at the expense of taxpayers.

State Children's Health Insurance Program (SCHIP)

The State Children's Health Insurance Program is an attempt to provide insurance to children with no health insurance in families with income that is low, but still above Medicaid eligibility requirements. SCHIP is primarily run at the state level, with the federal government providing funds to states that institute a children's health insurance program.

Though there are some federal guidelines, states are given considerable flexibility to design the specific type of health insurance program they will use. States create SCHIP programs that work as an expansion of Medicaid, as a separate program altogether, or as a combination of approaches. The Medicaid option entails that states must offer all the benefits given to individuals under the Medicaid program and optimal benefits, following the nominal Medicaid cost-sharing rules. State programs must abide by certain guidelines outlawed in the SCHIP legislation.

The SCHIP program was initially funded only through **Fiscal Year** (FY) 2007, but was recently renewed and expanded by the Obama administration with funding through 2013. The SCHIP program demonstrates one of the first initiatives taken by the Obama administration to continue government-sponsored healthcare systems in the United States, and the administration's commitment to achieve universal healthcare.

fiscal Year—*year measured from October 1 to September 30; a notation typically used for financial and budgetary records*

Current Government Programs

Currently, government-sponsored healthcare is the United States' largest expenditure. According to the US Census Bureau, government programs directly insure nearly 27% of the U.S. population, or 83 million Americans. While this is an impressive figure, it is dwarfed by the fact that government spending accounts for approximately 50% of all healthcare spending in the United States. Despite the best efforts of the government, spending is unsustainable and exorbitant, and government programs fail to cover all uninsured Americans. Opponents to government-sponsored healthcare use these problems as justification for increased privatization of healthcare, while proponents of reform argue that government-sponsored programs must be strengthened and expanded.

Focus of Debate

Conservative View

Conservatives tend to steer away from any initiatives designed to create universal healthcare through wholesale changes in the American healthcare system. Rather than calling for sweeping reform and increased government presence in healthcare, Republicans have advocated covering more individuals under the existing, privatized system. If government-run plans like the public option are instituted, conservatives warn that private companies will be unable to compete, eventually leading to a system where the government is the only remaining provider of health insurance. Republicans warn that such a system would lead to the restriction of consumer choice and, ultimately, the rationing of healthcare, a scenario that is wildly unpopular among the American people. Despite President Obama's claims to the contrary, the **GOP** warns that if Congress institutes a public option, individuals will not be able to keep their existing healthcare, because private insurance companies will be forced out of the market, thus eliminating the source of healthcare that many Americans use and have grown accustomed to.

GOP—a nickname for the Republican Party; stands for “Grand Old Party”

Liberal View

Most liberals support the reconstitution of the healthcare system. Top Democrats have characterized the healthcare system as sick, unsalvageable, and in need of reform. Liberals have supported the idea of a public option for healthcare. They argue that this option will serve as an affordable and effective means of providing quality healthcare to individuals. They are committed to the idea that every American should have access to health insurance. This goal has evolved into an “individual mandate,” which would require all citizens to enlist in a health insurance plan or else face monetary penalties. Proponents of an individual mandate argue that it will not only move the country towards universal healthcare coverage, but spread the insurance risk around to more consumers, ultimately lowering premium costs for everyone. Some particularly liberal Democrats even support abandoning the current health insurance structure in favor of a single-payer system similar to that used in Canada.

Ultimately, the Democrats push for strong and swift reforms in order to address the healthcare crisis in the United States, and believe that greater government involvement in healthcare is necessary to ensure long-term quality, affordable care.

Presidential View

Referring to the current system as a “healthcare crisis,” President Obama has advocated for a liberal and aggressive plan for healthcare reform. The primary initiative that the presidential proposal hopes to

pursue is the creation of quality, affordable, and portable health coverage for all Americans. His plan generally follows the Democratic template, and he has come out strongly in favor of a **public option** in order to foster competition in the health insurance market, thus lowering costs and forcing private insurance companies to become fairer and more efficient. He does not, however, support completely revamping the health-care system and moving to a single-payer setup. On the contrary, President Obama has repeatedly stated that under his plan anyone who is happy with current health insurance will be able to keep it. The president's plan simply aims to help cover the uninsured and lower costs for all parties.

public option—*government-run insurance program that would provide people a competitive alternative to private insurance programs*

The president hopes to bolster public health in the United States and create initiatives that help promote disease prevention, so that problems can be detected earlier and patients have better chances of combating illness. The Obama administration also notes that prevention is an oft under-looked method of cost reduction. Because disease prevention is significantly less expensive than medical treatment, ensuring that the whole population receives preventative care may go a long way towards lowering long-term costs.

On February 26, 2009, the President offered recommendations for healthcare reform in his budget recommendations. In these recommendations, along with the aforementioned concerns, the President called for a guarantee that choice will be protected, long-term fiscal sustainability, and the protection of families' financial health. While all of these issues may seem difficult to coordinate and cooperate in one piece of legislation, they are all undoubtedly important to the administration and any reform it plans to support.

Interest Group Perspectives

Heritage Foundation

The Heritage Foundation is a conservative think tank based in Washington D.C. The mission statement of the Heritage Foundation is to "formulate and promote conservative public policies based on the principles of free enterprise, limited government, individual freedom, traditional American values, and a strong national defense."

For these reasons, the Heritage Foundation is very skeptical of the proposed legislation that hopes to reform the healthcare system. The organization is wary of government intervention in the private sector, and advocates expanding and streamlining the current system of health-care rather than introducing a public option. The Heritage Foundation believes that a government-sanctioned healthcare option will unfairly compete with private plans, and could cripple employer-based insurance plans—and the millions of Americans who depend on them. Additionally, Heritage feels that with the country currently in the midst of the

worst economic downturn since the Great Depression, now is not the time to propose new healthcare spending and new taxes to pay for it.

Center for American Progress

The Center for American Progress (CAP) is an American think tank located in Washington D.C that largely represents liberal interests. CAP's **slogan** claims to promote "progressive ideas for a strong, just, and free America."

slogan—*phrase that is associated with an organization*

CAP is committed to enacting meaningful healthcare reform as the president has suggested. They hope that healthcare reform can come as soon as the end of this year, and endorse a public option available to the citizens. The organization believes that the current system has proven to be a failure and that this is the time not to make minute alterations to the current system, but instead to create a new system, one based on a public option and government financing. They are not opposed to increased spending for healthcare reform, arguing that without reform, the costs of the current healthcare system will far surpass the price tag of reform.

Amnesty International

Amnesty International is a political organization that charges itself to conduct research and generate action to prevent and end grave abuses of human rights and to demand justice for those whose rights have been violated. With over 2.2 million members located in more than 150 countries around the world, the organization coordinates its supporters to promote justice on a wide range of issues, including healthcare. In fact, Amnesty's website quotes the World Health Organization's constitution, which defines healthcare as a right.

These values indicate that this organization sees healthcare as a matter of human rights and therefore encourages reform to extend this right to all people. Amnesty feels that money should not prevent an individual from exercising a natural right, and if it does, then it is the job of a government to ensure that it can be provided and exercised without trouble because of its essentiality to life. In fact, on June 22, 2009, the NGO intervened on the healthcare debate in the U.S., "urging the U.S. Senate to hold a real debate on single payer, because single payer plans are more universal, equitable and accountable – the three key principles of the human right to health care."

Possible Solutions

The Obama administration has called for swift action by legislators to ail the failing healthcare system in the United States. While it is necessary for this action to be expedient, it is clear that the debate concerning healthcare is too complex and intricate to produce any fast

changes. Congress is adamant in supporting healthy debate and informed deliberation before enacting any changes. There are a variety of plans offered—**bipartisan**, Democrat, and Republican—each of which has its own merits and legislative initiatives. The objective of the Congressional process is to devise a strategy for healthcare that will address the three major concerns of healthcare reform without adding tremendously to the deficit. The discussion and debate will help **elucidate** the most viable strategy to achieve this goal, and, hopefully, produce a sustainable system of healthcare for future generations.

bipartisan—supported by both sides, relating to, or supported by two groups, especially by two political parties

elucidate—make clear

Single-Payer Method

The single-payer method is a healthcare reform strategy that will have one singular organization—either the federal government or a public agency created by Congress—which pays for all medical costs incurred from procedures. The “single-payer” classification refers to the fact that the government in such a system would be the only actor paying for healthcare. This contrasts with the current US system, where there are numerous payers, from the government to different insurance companies to individuals paying expenses out of pocket. This reform to healthcare would make it more affordable to more individuals and, in many cases, more portable. That is, with a single-payer method, there would be no discrepancies with doctors that do not accept certain insurance plans, as all doctors would accept from the single organization. Proponents of this plan also hope that consolidating all healthcare payments into a single organization would reduce administrative and overhead costs.

Of course, single-payer healthcare is not without flaws. Many opponents criticize single-payer plans for limiting access to healthcare. In Canada, which operates a single payer system, citizens often have to wait weeks or months for tests and procedures that could be conducted immediately in the United States. Critics also argue that a single-payer system would inevitably lead to healthcare rationing and the denial of treatment to needy patients. Finally, it would be an immense undertaking to transition directly from the current structure to a single-payer healthcare system, completely dismantling private insurance companies and forcing the more than 150 million Americans with private insurance to switch to a completely new system.

Individual Mandate

The plan for an individual mandate answers the call for having every American insured. With this reform, every citizen must either obtain health insurance or pay a fine, a plan similar to requirements for automobile insurance. The individual mandate will largely work in conjunction with a public option, as mandating that all individuals have

healthcare insurance will become more of a realistic possibility as insurance plans become more cheaply and widely available.

Public Option

A public option would be a government-run plan designed to provide a cheap healthcare option for all Americans. This proposed plan would allow for the government to sponsor a healthcare option to compete in the private sector of health insurance. This is perhaps the most **contentious** issue of healthcare reform. Proponents believe that a government option would offer competition to for-profit companies, while opponents argue that the artificially low costs of a government-subsidized plan could undercut the private sector and cause insurance companies to go out of business.

contentious—hotly debated

Working Within the Current System

Many people—and conservatives in particular—oppose large-scale reform, instead supporting smaller changes within the current system in order to reduce costs and increase health insurance enrollment. For example, many Republicans support restricting medical malpractice lawsuits, which they claim drive up costs of healthcare and force doctors to run needless tests out of fear of liability. Many policymakers also advocate increased government regulation—such as capping the premiums insurance companies can charge individuals—to help increase the number of people with health insurance.

Questions for Policymakers

Any legislation that attempts to solve the healthcare crisis must appease a myriad of opinions and solve multiple policy issues within the current healthcare system. A bill must decide just how much the government should be involved in the healthcare sector; it must address the fact that the federal government is spending more money than it has and figure out how to finance any new legislation; it must decide if health insurance will become mandatory, or if it will still be a choice; it must address the challenges of affordability, portability, and assuring that those insured are guaranteed coverage and are not underinsured.

Conclusion

Healthcare reform has always been pushed aside because of the immense task and political liability that it involves. However, the country has demonstrated willingness for change with the election of a president whose campaign hinged on that single word. There clearly is a problem with America's healthcare system, as evidenced by the nearly

50 million uninsured citizens and many more underinsured individuals under the current system. The stage is set for what could be the most monumental healthcare changes since the creation of Medicare. For healthcare reform to be a reality, it needs succinct, **cogent**, and powerful **cogent**—*logically sound* legislation to champion it through the many stages of Congress. It is up to those elected to consider, propose, and debate legislation that will bring about meaningful reform to healthcare, both to help those presently in trouble and create a stable system for future generations.

Guide to Further Research

The issue of healthcare reform has consumed the early months of President Obama's administration, captivated the general public's attention and emotions, and dominated media outlets. While this briefing details some of the important topics of the healthcare debate, it is by no means exhaustive, and we urge you to seek out more available information in order to construct a better understanding of the issue. Below are a few sources that can be utilized in further researching and devising a solution to the current healthcare situation.

http://www.whitehouse.gov/issues/health_care/

This website offers a statement of the President's current healthcare proposal. The website contains press releases, speeches, articles and other information regarding the healthcare debate. All can and should be utilized in researching the administration's goals, its progress in achieving those goals, and the guiding principles that underscore the President's healthcare initiatives.

<http://www.npr.org/templates/story/story.php?storyId=1027>

National Public Radio is one of the most informative media outlets in the United States, and their online database offers a myriad of articles and op-ed pieces to help better understand and gauge feelings towards healthcare reform in the United States.

www.news.google.com

Google News provides a safe and secure way of searching for news articles from a variety of sources with the ease of searching that Google provides. Google News compiles articles from different news sources, such as the New York Times and the Wall Street Journal, and reports on them in a single, central location.

www.newyorktimes.com

The New York Times is a trusted name for articles and up-to-date information surrounding the healthcare debate. The paper has recently dedicated a portion of its online content to the discussion of

healthcare, and contains articles, **op-ed columns**, and guest writers—including the President himself—that contribute to the website’s database. It can help you keep current on the events in Washington and the public sentiment towards different types of healthcare reform.

op-ed columns—*pieces that focus on opinions rather than a summary of facts.*

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