Health Care for Everyone

Obstacles Old and New Prevent
Significant change from taking shape

Objectives

Participants will be able to:

- Identify and discuss components of the U.S. Healthcare System.
- Describe the perils associated with health policy and politics.
- Identify the forces and obstacles related to health reform efforts.
- Identify and describe the tools used by advocacy and special interest groups in policy formulation.

The Political Landscape
The 2008 General Elections

- President and Vice President elected
- One-third of the U.S. Senate elected
- All U.S. House of Representative members elected
- Eleven State Governors elected
- State and Local representatives nationwide elected

Campaign Promise to Overhaul Nation's Healthcare System
What's different?

- Last efforts 15 years ago failed miserably.
- Timing of health-care reform seems dreadful.
- Economy continues to stagger.
- Nation engaged in two costly overseas wars.
- Obama ranks health reform third behind financial crisis and passing an energy bill.

America's Health Checkup

- What is the measure of a country's health?
- How do you take the temperature of a population that sprawls across nine time zones, 50 states and a global rainbow of cultures and communities?

America's Health Checkup (cont'd)
A look at ourselves

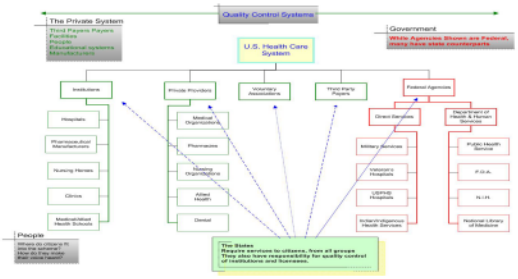
- 67% of Americans are overweight or obese.
- 27% of Americans with blood pressure too high.
- 96% of population may not recall last time they had a salad.
- 50% of us get no exercise.
- Most troubling: if you are any parent of a child anywhere in the world, you may be passing on your health habits to your children.
- This generation of American kids may be first ever to have a shorter life span than their parents do.

Source: America's Health Checkup, Time, 11/20/2008

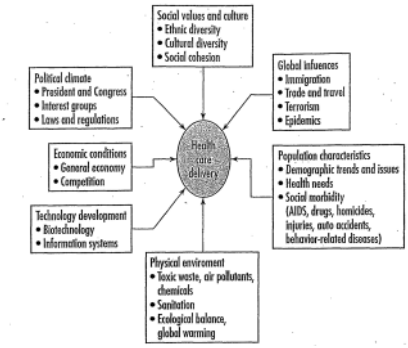
Three Key Developments Over Past 15 Years

- The number of uninsured Americans now tops 45 million.
- Serious health reform proposals would allow Americans to keep their current insurance coverage if they choose.
- Costs of health insurance to both the employers and employees (premiums) continue to soar.

US Health Care System - 2007



External Forces Affecting Health Care Delivery



External Forces Affecting Health Care Delivery

Ten basic characteristics differentiate the US health care delivery system from that of other countries:

1. No central agency governs the system.
2. Access to health care services is selectively based on insurance coverage.
3. Health care is delivered under imperfect market conditions.
4. Third-party insurers act as intermediaries between the financing and delivery functions.
5. Existence of multiple payers makes the system cumbersome.
6. Balance of power among various players prevents any single entity from dominating the system.
7. Legal risks influence practice behavior.
8. Development of new technology creates an automatic demand for its use.
9. New service settings have evolved along a continuum.
10. Quality is no longer accepted as an unachievable goal in the delivery of health care.

Healthcare For Everyone? Sen. Finance Committee Chairman Max Baucus (D-Mont.) Speaks

- The 19th Century British philosopher Herbert Spencer wrote: "The preservation of health is a duty.
- Ensuring every American coverage would make healthcare truly portable.
- With 46 mil uninsured, if sickness occurs, three things happen: they pay out of pocket; they go to the emergency room; or they do without.
- It is the duty of the next Pres. to reform America's health care system.
- The health system is so complex that any solution will demand time and attention to get it right.

Lawmakers Lay Out Reform Ideas for Obama: Sen. Ron Wyden (D-Ore., Member, Finance Committee) outlines seven principles

- Ensure universal coverage.
- Make coverage affordable and portable.
- Implement strong private insurance market reforms.
- Modernize fed tax rules for health coverage.
- Promote disease prevention and wellness.
- Encourage transparency in coverage choices and prices.
- Improve quality and value of care.

An Economic Perspective: Problems and Choices

Three fundamental observations about the world:

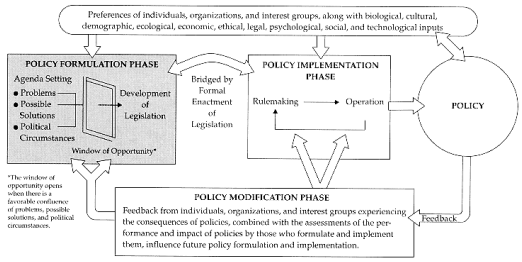
- Resources are scare in relation to human wants.
- Resources have alternative uses (fewer scientists, teachers, schools, judges, or physicians).
- Economists note that people have different wants, and that there is significant variation in the relative importance attached to them.

"Who Shall Live? Health, Economics and Social Choice," Victor R. Fuchs, 1974.

An Economic Perspective: Problems and Choices (cont.d)

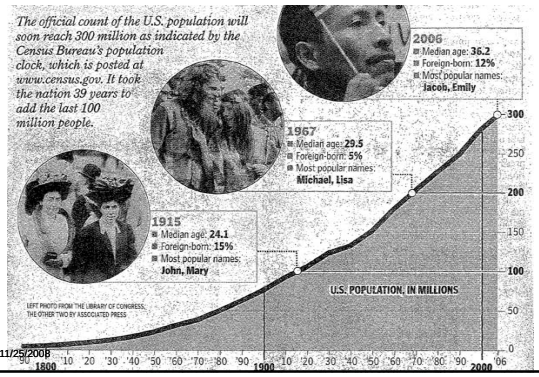
- Often in societies, choice and equity are in conflict.
- The wealth of a nation often determines access to care.
- The U.S. spends approx. $5-6,000/per/person/annually
- The U.K. spends approx. $2-3,000/per/person/annually.

Figure 1—Policymaking Matrix

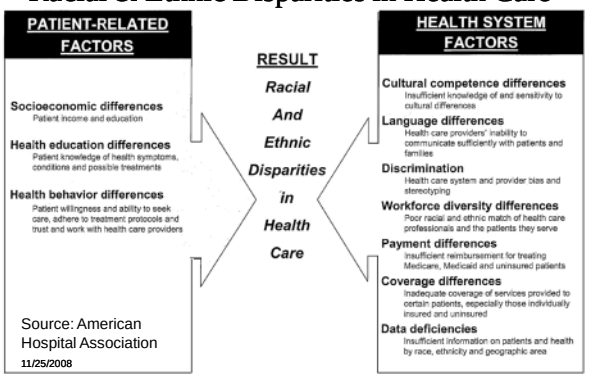


Source: Beaufort B. Longest, Jr.., P. 56

A Nation of 300 Million

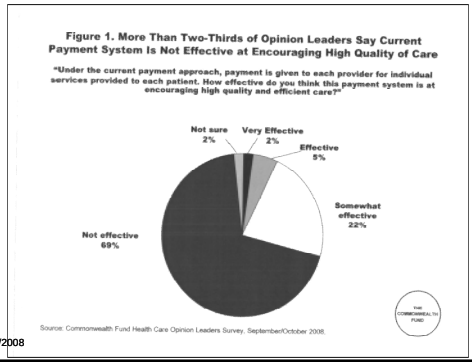


Sources & Causes: Racial & Ethnic Disparities in Health Care



Source: American Hospital Association

Health Care Opinion Leaders' Views on Health Care Delivery System Reform



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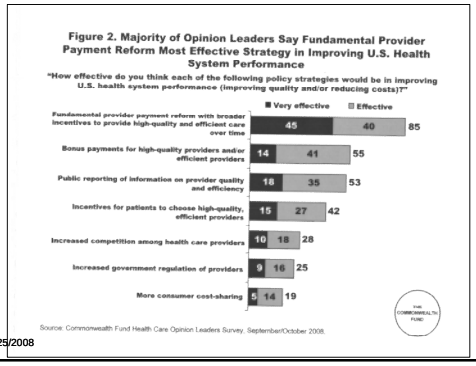

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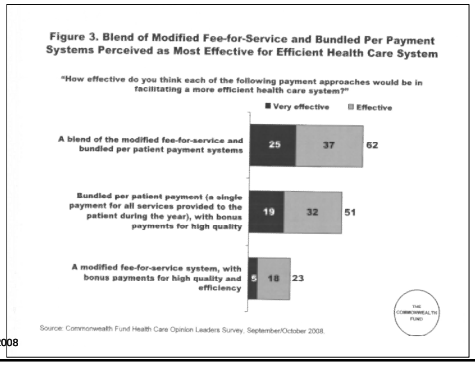

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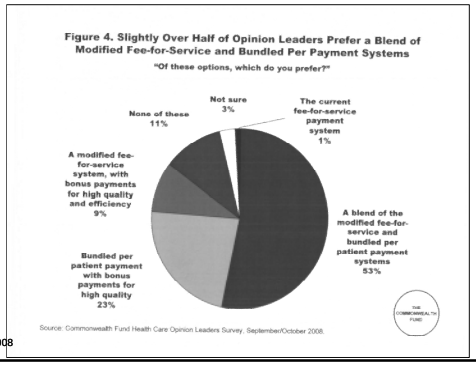

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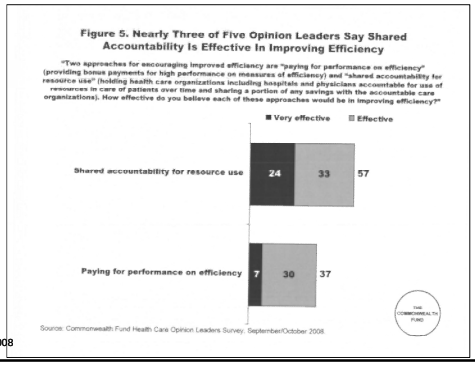

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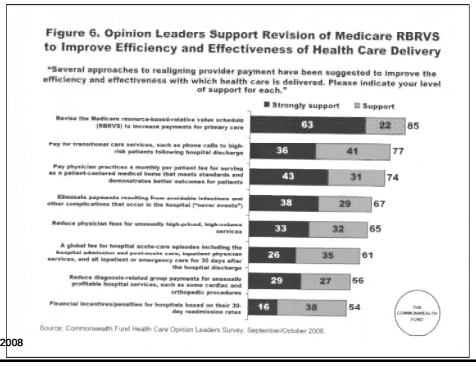

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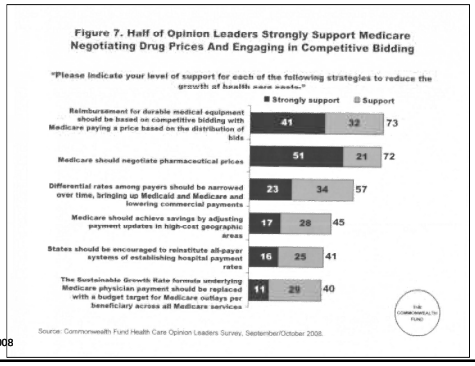

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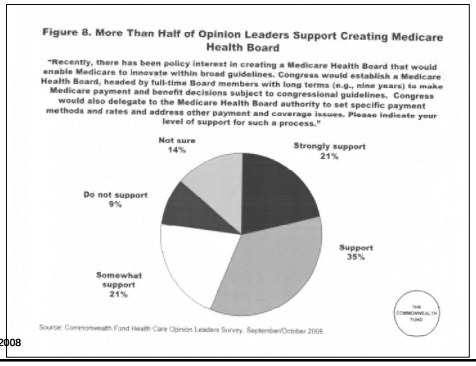


Total Health Care Reform

What do these three presidents have in common?

Roosevelt:
26th President (R)
1901-1909

Truman: (D)
Thirty-Third President
1945-1953

Clinton: (D)
Forty-Second President
1993-2001

Health Care Reform Efforts

- 1912: Theodore Roosevelt calls for national health insurance
- 1918: World War I and the great influenza epidemic
- 1948: Harry Truman's push for national health insurance failed
- 1960: Kerr-Mills health legislation provided federal medical assistance funding to states for care of the poorest elderly
  - By 1963, five large states (with only 32% of the US population) were using 90% of the Federally provided funding
- 1964: Lyndon Johnson and Democratic majority in Congress pushed for national health insurance policy, and tried to increase Social Security benefits
- 1965: Passage of the Social Security Act amendments formed Medicare and Medicaid for senior citizens and the poor respectively
- 1990: Hillary Clinton's health care reform attempt
- Present: President George Bush's effort to privatize Social Security and create individualized health savings accounts

The Presidents Speak Out…

Harry Truman
World War II (1945)

"We should resolve now that the health of this nation is a national concern; that financial barriers in the way of attaining health shall be removed; that the health of all its citizens deserves the help of all the nation."

The Presidents Speak Out…

Dwight D. Eisenhower
January 1954

"In adhering to this principle, and rejecting the socialization of medicine, we can still confidently commit ourselves to certain national health goals. One such goal is that the means for achieving good health should be accessible to all. A person's location, occupation, age, race, creed, or financial status should not bar him from enjoying this access."

The Presidents Speak Out…

John F. Kennedy
Special message to Congress, February 1961

"The dramatic results of new medicines and new methods – opening the way to a fuller and more useful life – are too often beyond the reach of those who need them most… It is to the unfinished business in health – which affects every person and home and community in this land – that we must now direct our best efforts."

The Presidents Speak Out…

Lyndon Johnson
statement upon signing Medicare into law, 1965

"The benefits under (Medicare) are as varied and broad as the marvelous modern medicine itself… No longer will older Americans be denied the healing miracle of modern medicine. No longer will illness crush and destroy the savings that they have so carefully put away over a lifetime so that they might enjoy dignity in their later years."

The Presidents Speak Out…

Richard M. Nixon
special message to Congress proposing a national health strategy
February 18, 1971

"Good health care should be readily available to all of our citizens... It will be impossible to achieve it without a new sense of purpose and a new spirit of discipline. That is why I am calling today not only for new programs and not merely more money but for something more – a new approach which is equal to the complexity of the challenges."

The Presidents Speak Out…

Gerald Ford
State of the Union, 1976

"Increasing health costs are of deep concern to all and a powerful force pushing up the cost of living. The burden of catastrophic illness can be borne by very few in our society. We must eliminate this fear from every family."

The Presidents Speak Out…

Jimmy Carter
Remarks to a joint session of Congress, 1979

"It has been 30 years since President Truman challenged Congress to secure for all Americans access to quality health care as a matter of right. It has been nearly 15 years since the Congress, responding to the leadership of Presidents Kennedy and Johnson, finally enacted Medicare and Medicaid. Now, after a decade and a half of inaction, it is time to move forward again."

The Presidents Speak Out…

Ronald Regan
Message to Congress, February 1983

"The need for action now is clear. Health care costs are climbing so fast [that] they may soon threaten the quality of care and access to care which Americans enjoy."

The Presidents Speak Out…

George H. W. Bush
State of the Union, January 1992

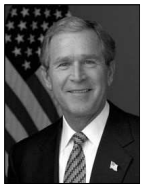
"We must reform our health care system. For this, too, bears on whether or not we can compete in the world… We must bring costs under control. Preserve quality, preserve choice, and reduce the people's nagging daily worry about health insurance."

The Presidents Speak Out…

William J. Clinton
remarks before a joint session of Congress, September 22, 1993

"Let us write that new chapter in America's story, and guarantee every American comprehensive health benefits that can never be taken away. Some people have said that it would be a miracle if we passed health care reform. But, my fellow Americans, I believe we live in a time of great change when miracles do happen."

The Presidents Speak Out…



George W. Bush
remarks on health care reform, February 11, 2002

"The role of government in health reform is to fix the system where it's failing, while preserving the quality and innovation of a private, patient-centered medical system. All reform should be guided by some goals. The first goal: all Americans should be able to choose a health care plan that meets their needs at affordable prices… Many of the poor and uninsured, including illegal immigrants, are outside our system of health care entirely."

The Political Landscape
The 2008 General Elections

- President and Vice President elected
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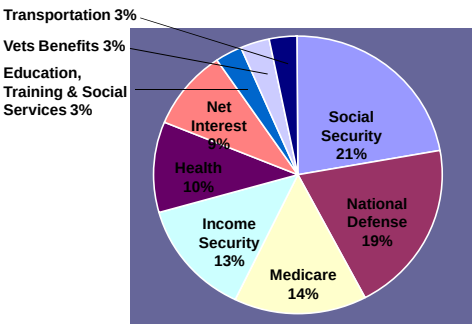
Health Reform Plans of 2008 Presidential Candidates

Hillary Clinton	Barack Obama	John Edwards	Rudy Giuliani	Mitt Romney	John McCain	Mike Huckabee
Would allow individuals to choose either a private plan through FEHBP or a public plan similar to Medicare to achieve universal coverage. Plan also contains cost containment, quality improvement, and public health initiatives.	Would create both a national health plan and create connector-style pooling options for private coverage. Plan also contains cost containment, quality improvement, and public health initiatives.	Would create new connector-style pooling options for private and public coverage, expand existing public programs, and create tax incentives to assist individuals. Plan also contains cost containment, quality improvement, and public health initiatives.	Would implement an income exclusion for purchase of health insurance for individuals without employer-sponsored insurance, bolster the use of HSAs and provide a tax credit to low-income individuals.	Would use federal tax deduction and empower states to enact state-by-state reforms towards expanding coverage, as well as promote quality improvement strategies.	Would expand access through individual and family tax credits and lower costs and improve quality.	Would shift coverage towards consumer-purchased care by establishing tax deductions or credits for individuals and families, as well as increasing use of HIT and preventive medicine.
Estimates $110 billion in savings.	No total price tag attached.	No total price tag attached.	No total price tag attached.	No total price tag attached.	No total price tag attached.	No total price tag attached.
All Americans.	Seeks near universal coverage.	All Americans.	Not addressed.	Seeks to expand coverage to an unspecified level.	Seeks to expand coverage to an unspecified level.	Does not advocate a federal proposal to seek universal coverage.

Source: Health & Leadership Council

FY 2007 Budget by Functional Category



Source: The Washington Post Company, ©2006

Health Reform Advocates and Special Interests: Big push on Congress

- States facing $50 billion budget deficit.
- AARP worries that cuts to Medicaid would hit recipients doubly hard.
- AARP mobilizing more than 50 state offices to lobby lawmakers.
- Effort being made to drive home the link between health care and the economy.
- Single-payer advocates are back in favor. Pushing Democrats to propose single-payer system that expands Medicare to cover all Americans.
- Nurses union which worked with Michael Moore on "Sicko" documentary have hired a legislative director in Washington.

"AN OPEN LETTER TO PRESIDENT-ELECT OBAMA:
YOU'RE READY TO LEAD AND WE ARE READY TO HELP."

As organizations representing over 50 million American consumers, workers, CEOs of the nation's largest companies and small business owners, we have joined to together to form *Divided We Fail*, an effort to break the partisan gridlock to improve health care an long-term financial security for all Americans. We are supported by nearly 100 organizations, representing a diverse spectrum of interests, that share our commitment.

Bill Novelli, CEO, AARP
Todd Stottlemyer, Pres., NFIB
John Castellani, Pres., Business Roundtable
Andy Stern, Pres., SEIU

Source: USA Today, Tuesday, November 11, 2008 - 7A