



# **HEALTHCARE REFORM INFORMATION PACKET**

**Introduction** - Pg. 2

**Why We Need Reform Now** - Pg. 3

**What Reform Will Do** - Pg. 5

**A Public Plan** - Pg. 7

**The Process** - Pg. 9

**Sources & Bibliography** - Pg. 11

**Resources** - Pg. 13

**Take Action** - Pg. 14

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## ❑ INTRODUCTION



### **Healthcare reform is confusing and complex.**

The process is confusing and complex. The available reliable information is *overwhelming*. The \$1 trillion estimated cost over the next decade is staggering. This packet was designed to help make coming to your own conclusion about healthcare reform easier. You and I don't have to become experts. We need to reach a level comfort at which we feel we can exercise our obligations as citizens responsibly.

Forces opposing reform have been trying to hijack the process by ambushing lawmakers and the mainstream media with distortions, lies and intimidation. They are trying to fool them into believing that there is wide opposition to reform. According to a study reported in *The New England Journal of Medicine*, 70 percent of Americans surveyed believe the health care system needs major changes, if not a complete overhaul. Recent polling shows that the majority of Americans support a public option.

**August is where reform will be won or lost.** It is vital that you contact your members of Congress and express your support for healthcare reform as soon as you can. - Beverly Bandler

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## ❑ WHY WE NEED REFORM NOW.

**The relentless, decades-long rise in the cost of health care has left many Americans struggling to pay their medical bills...It is the worst long-term fiscal crisis facing the nation.**

- *The New York Times*

- **America** is the only wealthy, industrialized nation that does not ensure that all citizens have universal health care coverage.
- **Lack of health insurance** causes roughly 18,000 unnecessary deaths every year in the United States.
- **46 million Americans** (15% of the total U.S. population) are without health insurance. More than 80% of the uninsured are in working families. In 2007, 86.7 million (42% of *all* adults) were either uninsured or underinsured. An estimated 14,000 Americans lose their health insurance every single year.
- **Rural America** has experienced higher rates of poverty, mortality, un-insurance consistently over for several decades, and evidence reveals roadblocks to care for women. Women's reproductive health requires more regular contact with health care providers (yearly pap smears, mammograms, obstetric care), and women are more likely to report fair or poor health than men (9.5% versus 9.0%). People of color are more likely to lack health insurance coverage and to receive lower-quality care,
- **The current health system** rejected 36% of Americans (12.6 non-elderly adults) who applied for insurance last year. Not surprisingly, many of those rejected had cancer or some other chronic condition. Many Americans were dropped from coverage when they became seriously ill.
- **The U.S. spends** twice per capita what other major industrialized countries spend on health care. Health care spending in the United States reached \$2.4 trillion in 2007, or \$7,900 per capita. As a nation we are spending \$1 out of every \$6 we earn on health care. Ever-rising health care costs are threatening to drive an unsustainable explosion in the national debt.
- **One major reason** for the health insurance crisis is that many employers have stopped offering insurance to employees because of the high cost of insurance. The proportion of non-elderly Americans covered by employer-based health insurance fell from 66% to 61% between 2000 and 2007. Nearly one-third of the uninsured – 13

million people – are employees of firms with less than 100 workers. The percentage of small businesses offering coverage dropped from 68% to 59%, while large firms held stable at 99%.

- **Americans are paying** more for health care coverage every year. Between 2006 and 2007, the cost of premiums offered by employers increased 6.1 percent. In 2008, the average premium for a family plan purchased through an employer was \$12,680, nearly the annual earnings of a full-time minimum wage job. The typical elderly couple may have to save nearly \$300,000 to pay for health costs not covered by Medicare alone.
- **Half of all personal bankruptcies** are at least partly the result of medical expenses. It has been estimated that health care costs cause a bankruptcy in America every 30 seconds.
- **Without reform:** health care costs will continue to skyrocket--we could be spending \$3 trillion for health care by 2011 and \$4.2 trillion by 2016, and projections suggest that the number of Americans without health insurance would rise to about 72 million in 2040.
- **Across 37 core indicators of performance**, the U.S. achieves an overall score of 65 out of a possible 100 when comparing national averages with U.S. and international performance benchmarks. Overall, performance did not improve from 2006 to 2008. The Veterans Health Administration is considered the highest-quality healthcare provider in the United States.
- **The U.S. now ranks** last out of 19 countries on a measure of mortality amenable to medical care, falling from 15<sup>th</sup>, as other countries raised the bar on performance.
- **The United States ranks** 50th in life expectancy, and 180th in infant mortality (meaning 179 countries have higher infant mortality rates such as Angola and Turkey and 43 countries have lower infant mortality rates such as France and Sweden).
- **Performance** on measures of health system efficiency remains especially low. The U.S. scores 53 out of 100 on measures gauging inappropriate, wasteful, or fragmented care; avoidable hospitalizations; variation in quality and costs; administrative costs; and use of information technology. Lowering insurance administrative costs alone could save up to \$100 billion a year at the lowest country rates.
- **The more the government does** to help workers improve their skills and get affordable health care, the more we free up American businesses to compete in the global economy.

## ❑ WHAT REFORM WILL DO

**Health Insurance Reform provides security and stability to those with or without coverage because *it*:**

**Ends Discrimination for Pre-Existing Conditions.** Insurance companies will be prohibited from refusing you coverage because of your medical history.

**Ends Exorbitant Out-of-Pocket Expenses, Deductibles or Co-Pays.** Insurance companies will have to abide by yearly caps on how much they can charge for out-of-pocket expenses.

**Ends Cost-Sharing for Preventive Care.** Insurance companies must fully cover, without charge, regular checkups and tests that help you prevent illness, such as mammograms or eye and foot exams for diabetics.

**Ends Dropping of Coverage for Seriously Ill.** Insurance companies will be prohibited from dropping or watering down insurance coverage for those who become seriously ill.

**Ends Gender Discrimination.** Insurance companies will be prohibited from charging you more because of your gender.

**Ends Annual or Lifetime Caps on Coverage.** Insurance companies will be prevented from placing annual lifetime caps on the coverage you receive.

### **Health Insurance Reform:**

**Extends Coverage for Young Adults.** Children would continue to be eligible for family coverage through the age of 26.

**Guarantees Insurance Renewal.** Insurance companies will be required to renew any policy as long as the policyholder pays their premium in full. Insurance companies won't be allowed to refuse renewal because someone became sick.

**Will stop much of current "rationing."** Government will not

“takeover” health care or lead to “rationing.” Reform will forbid many forms of rationing that are currently being used by insurance companies.

**Is affordable.** The President has identified ways to pay for the vast majority of the up-front costs by cutting waste, fraud, and abuse within existing government health programs; ending big subsidies to insurance companies; and increasing efficiency with such steps as coordinating care and streamlining paperwork.

**Will not encourage “euthanasia.”** For seniors who want to consult with their family and physicians about end-of life decisions, reform will help to cover these voluntary, private consultations for those who want help with these personal and difficult family decisions.

**Will protect Vets' health care benefits.** The President's budget significantly expands VA coverage, extending care to 500,000 more previously excluded veterans.

**Will benefit small business.** Reform will ease the burdens on small businesses, provide tax credits to help them pay for employee coverage and help level the playing field with big firms who pay much less to cover their employees on average.

**Will not cut Medicare benefit to finance reform.** Reform will improve the long-term financial health of Medicare, ensure better coordination, eliminate waste and unnecessary subsidies to insurance companies. Prescription drugs will be more affordable.

**Will expand your choices, not eliminate them.** You can keep your own insurance and your own doctors.

**Will simplify administration** and make it easier for you to pay bills in a method that *you choose*. Government will not touch your bank account. Electronic payment privacy rules will apply.



**More Info:** <http://www.WhiteHouse.gov/realitycheck>

## □ A PUBLIC PLAN: What Would It Do? How Would It Work?

**The goal:** A health system where private and public plans compete side by side and are rewarded when they deliver better value and health outcomes to their clients. A public plan offers stability, quality, affordable care, and high standards. Private plans provide pressure for innovation in care management and benefit design as well as an alternative for people who find that the public plan does not serve their needs.

### WHAT WOULD A PUBLIC PLAN DO?

- Promotes** healthy competition between public and private health insurance alternatives on a level playing field.
- Places** a crucial check on both the public and private plans encouraging them to remedy inherent weaknesses.
- Provides** proven cost controls through lower premiums, lower out-of-pocket costs, and a long-term ability to restrain costs.
- Spurs** improved quality of care.
- Establishes** a hybrid model that builds on the best elements of existing public programs and private benefits while ensuring health security that current health financing plans do not provide.
- Safeguards** and improves the Medicare model by upgrading the program.
- Offers** a sensible, practical way based on established programs and models for nonelderly Americans without secure workplace insurance to obtain group coverage for quality, affordable care through a broad choice of providers in all parts of the country.

### HOW WOULD A PUBLIC PLAN WORK?

- Initiates** a Health Insurance Exchange that interfaces easily with current employee sponsored group coverage and public programs (Medicaid, CHIPRA) to provide access to Exchange-offered public or private plans.
- Retains** employment-based insurance in which employers continue to help pay premiums for privately purchased coverage.
- Requires** employer contributions to the exchange for those who do not offer health coverage.
- Continues** coverage for people currently covered by existing public programs (Medicaid, CHIPRA).
- Provides** coverage for people younger than 65 without workplace insurance or access under an existing public program through the Exchange, which will be safeguarded by a separate administrative body for the new public plan, along with rules, risk adjustment, and

regional pricing to ensure a level playing field for public and private plans.

**Structures** the new public plan to provide *national* terms for patients and providers; *governmental* rather than nonprofit administration under federal charter; *comprehensive* defined benefits on the same administrative platform; *built on Medicare's infrastructure*, using the basic overall structure of Medicare as a foundation for the new plans operations, such as using existing regional and national public administrative bodies and services of insurer who currently act as carriers by processing payments.

**Operates** under *rules* that apply to private and public plans:

*Community rating*—all plans charge the same rates to all subscribers; *Guaranteed issue*—all plans take everyone who wants to be in them; *Limits on marketing*—choice is based on objective information provided by the Exchange administrator; *Standardized and defined benefits*—at minimum, all plans offer a benefit package that meets a basic actuarial standards, covers the same full range of benefits, and has the same maximum limits on out-of-pocket spending; *Reserve requirements*—private plans must have adequate reserves, the public plan has the full faith and credit of the federal government; *Transparency*—all plans clearly state their terms and open their books for basic review of spending and revenues.

**Recognizes** a need for *risk adjustment* that allows plans to be paid different amounts by the exchange based on the expected and realized risk of their enrollees so that neither enrollees nor plans are penalized when a plan attracts less healthy participants.

**Enacts** a *regional pricing system* that ensures plans compete fairly with each other within geographic regions and relative disparities in plan costs are reflected in premiums that enrollees pay.

**Uses** a *regionally based competitive bidding process* in which plans submit bids to provide standardized benefit packages within the nationally administrated Exchange (benefits provided will vary modestly to encourage plan diversity but within a common baseline for comparing bids).

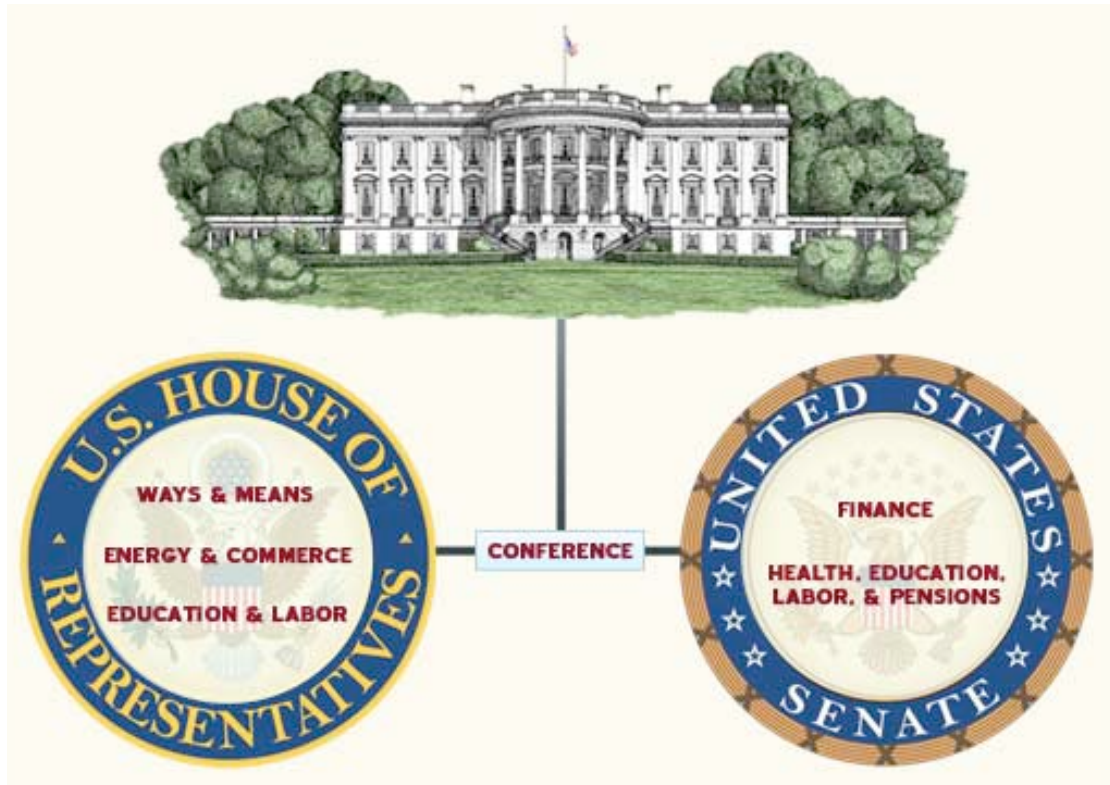
**Authorizes *countervailing bargaining power*** to ensure better rates and controlled costs without evidence of reduced access or impaired health.

**Offers** a reasonable number of meaningful choices in which public plans offer stability, wide pooling of risks, affordability of premiums, broad provider access, capacity to collect and use pertinent information on a large scale to improve care.

**Excerpt:** Bredensteiner, Sue. "Understanding Healthy Competition: How To Structure Public Health Insurance Plan Choice To Ensure Risk-Sharing, Cost Control And Quality Improvement." LWVUS Health Care Education Task Force. <http://tinyurl.com/nz2jzj> **See:** Hacker J.S. 2008. *The Case for Public Plan Choice in National Health Reform*. <http://tinyurl.com/kkumw7>

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## ❑ THE PROCESS.



*Health Care for America Now!*

### **The President**

**President Barack Obama presented a health reform proposal to Congress.** He asked Congress to come up with a health care reform plan reflecting these eight principles:

- *Reduce long-term growth of health care costs for businesses and government.*
- *Protect families from bankruptcy or debt because of health care costs.*
- *Guarantee choice of doctors and health plans.*
- *Invest in prevention and wellness.*
- *Improve patient safety and quality of care.*
- *Assure affordable, quality health coverage for all Americans.*
- *Maintain coverage when you change or lose your job.*
- *End barriers to coverage for people with pre-existing medical conditions.*

### **The Congress**

**The Health Care Reform Plan will emerge from Congress,** where 535 House and Senate delegates are charged with giving all 300 million of us a voice in the solution. There are five

congressional committees that have some responsibilities relative to health care: Senate Health, Education, Labor and Pensions Committee (HELP). Senate Finance Committee. House Energy and Commerce Committee. House Ways and Means Health Subcommittee. House Committee on Education and Labor.



1. Initial proposals. 2. Committees hold hearings/draft legislation. 3. Committees pass legislation. [**WHERE WE ARE NOW.**] 4. Congress passes legislation. 5. House & Senate bills reconciled & passed. 6. President signs bill into law.

The Senate health committee has approved a bill, but only the Finance Committee has jurisdiction over taxes and Medicare provisions to pay for the measure. A group of six negotiators on the Finance Committee (three Democrats and three Republicans) hope to produce a bipartisan bill for the full Finance Committee by September 15. A “tri-committee” proposal is the result of the three House Committees passing nearly identical pieces of legislation. The Energy and Commerce Committee still needs to work through many amendments in September.

**For a Side-By-Side Comparison of Major Health Care Reform Proposals:** Kaiser Family Foundation. Health Reform. <http://www.kff.org/healthreform/sidebyside.cfm>

**Sources/More Info:**

**Health Care for America Now!**

[http://www.healthcareforamericanow.org/site/content/steps\\_to\\_win/](http://www.healthcareforamericanow.org/site/content/steps_to_win/)

**The New York Times** has a multimedia graphic that shows The State of Play—what remains to be done with the health care system overhaul, with Congress recessed until after Labor Day. August 10, 2009. <http://tinyurl.com/lpd9p6>

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**Follow the legislation:** CNN [www.cnn.com/healthcare](http://www.cnn.com/healthcare)

The Library of Congress. <http://www.thomas.gov/>

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## ❑ RESOURCES

**AARP.** [http://blog.aarp.org/sharpession/barry-jackson/  
www.HealthActionNow.org](http://blog.aarp.org/sharpession/barry-jackson/www.HealthActionNow.org)

**Center for American Progress.**

[http://www.americanprogress.org/issues/2009/06/healthcare\\_animation.html](http://www.americanprogress.org/issues/2009/06/healthcare_animation.html)

**Commonwealth Fund.**

Interactive: CF ranks health care in each state.

<http://www.pbs.org/now/shows/512/map.html>

**Democratic Party.** <http://www.democrats.org/>

**Families USA.** Health Care Reform 2009.

<http://www.familiesusa.org/>

**HealthReform.Gov.** <http://www.healthreform.gov/> The government health reform website.

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<http://www.healthcareforamericanow.org/>

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[http://blogs.tnr.com/tnr/blogs/the\\_treatment/default.aspx](http://blogs.tnr.com/tnr/blogs/the_treatment/default.aspx)

**Organizing for America.** Health Action Center.

<http://www.barackobama.com/>

**Politifact.com.** <http://www.politifact.com/truth-o-meter/>

**The White House.** <http://www.whitehouse.gov/>

<http://www.WhiteHouse.gov/realitycheck>

## ❑ TAKE ACTION

### 1 Sign Petitions.

**Stand with Dr. Howard Dean.** Support healthcare reform that gives America a choice. <http://standwithdrdean.com/>

**The Citizens for Real Health Care Reform and a Public Option.** The petition created by Senators Dick Durbin, Patrick Leahy, Chuck Schumer, <http://www.citizensforapublicoption.com>

### 2 Read and Forward this Packet.

Surf some of the Resources--choose a couple to spend some time with. Surf the Sources & Bibliography--Choose at 3-5 to read more thoroughly. If you can read more, please do. You don't have to become an expert, you need to digest enough to take action where you feel comfort, responsibly.

### 3 Contact your Congressional Representatives.



Please contact your Senators and Representatives by phone (preferably) or in writing. Encourage them to support real Health Insurance Reform. *Organizing for America* has a Health Care Action Center: Calling Local offices. <http://www.barackobama.com/>

#### **Find your Representative:**

<http://www.house.gov/zip/ZIP2Rep.html> **Find your Senators:**

[http://www.senate.gov/general/contact\\_information/senators\\_cfm.cfm](http://www.senate.gov/general/contact_information/senators_cfm.cfm)

**4 Contact the MEDIA.** Fairness and Accuracy in Reporting has a list. <http://www.fair.org/index.php?page=111>

Families USA has an August Recess Tool Kit. Tools and Tactics. <http://www.familiesusa.org/august-recess-tool-kit/tools-and-tactics/>