



# Better Care at Lower Cost for Every American

**We must address our health care problems as part of ongoing reform that respects traditional values, reflects diverse preferences, promotes market-based competition, insists on accountability, and encourages personal responsibility.**



## By John McCain

**T**HE NEED FOR HEALTH POLICY REFORM is a pressing national issue about which people care very deeply. Beyond the deeply personal life and death concerns of millions of Americans, health care also presents substantial challenges to our pocketbooks as consumers, to the sustainability of major government health programs as beneficiaries and taxpayers, and to our economy's growth and competitiveness as employers, workers, and investors. As president, I pledge to address our health care problems proactively and comprehensively, as part of an ongoing reform process that respects our traditional values, reflects our diverse preferences, promotes market-based competition, insists on accountability, and encourages personal responsibility. We need a more patient-centered and quality-focused health care system that delivers better value in terms of improved outcomes at lower costs.

In this presidential campaign year, a wide range of health reform plans have been advanced by candidates. But will many of those solutions actually improve our health care system? We can no longer afford to promise more than we can deliver. Nor can we risk misdiagnosing the problem and devising a cure that might harm the patient.

The problem, my friends, with the U.S. health care system is not that Americans don't have fine doctors, medical technology, and treatments. The state of our medical science is the envy of the world. The problem is not that most Americans lack adequate health insurance. The vast majority of Americans have private insurance, and our government spends billions each year to provide even more. The biggest problem with the American health care system is that it costs too much, and the way inflationary pressures are actually built into it.

### Reining In Health Costs

Rapidly rising costs are the greatest threat to our health care system. Within the next decade, health care costs will approach 20 percent of our gross domestic product (GDP). The growth of costs affects everyone: government budgets, taxpayer burdens, business costs, and family budgets. It hurts those who have insurance by making it more expensive to keep. And it hurts those who don't have insurance by making it even harder to attain. Health spending that grows faster than the resources available to pay for it causes employers to drop coverage, shift more costs to their employees, and/or slow the rate of wage growth. More individuals cannot afford to accept their employers' coverage offers or purchase insurance on their own. State and local governments find their budgets overstretched by health care costs that crowd out other necessary areas of investment and spending. Rising per capita health care costs contribute even more than the demographics of an aging population to the mounting fiscal stress on our largest federal health care entitlement programs—Medicare

and Medicaid. Medicare's costs in particular are growing astronomically faster than its financing, and leaving its structural flaws unaddressed will hasten its bankruptcy.

My highest priority in health reform will be to slow the rapid growth in the cost of care and transform the practice of medicine to help produce better health across the population. Fundamental health care reform must begin with restoring control to individuals and their families as health care consumers and patients and making them the central focus of our health care system. They need to be in charge of their health care dollars, with stronger incentives and improved access to enhanced information tools that facilitate better health behavior and smarter health care decisions.

I offer a genuinely American vision for health care reform that preserves the most essential value of our lives—freedom. We believe in the pursuit of personal, political, and economic freedom for everyone. My vision expects and encourages free people to voluntarily unite, but they cannot be compelled to do so under the principles of limited government that best protect our individual freedom. In health care, we believe in enhancing the freedom of individuals to receive necessary and desired care. We do not believe in coercion and the use of state power to mandate care, coverage, or costs.

I believe Americans want to be part of a system that offers high-quality care, that respects their individual dignity, and that is available at reasonable cost. Unfortunately, the American health care system as it is currently structured fails this test. It is too expensive. It insults our common sense and dignity with excessive paperwork, disconnected visits with too many specialists, and by elaborately hiding from us any clear idea of what we are getting for our money. We must reform the health care system to make it responsive to the needs of American families. Not the government. Not the insurance companies. Not tort lawyers. Not even the doctors and hospitals.



### Improving Choice in the Private Market

One essential reform is to improve our choices in private health insurance markets. It must begin with changing the current tax treatment of health care spending. It is good health policy to reward having insurance no matter where your policy comes from.

I propose to spread the tax subsidy for health insurance more equitably. I would change it to a refundable credit amounting to \$5,000 for all families and \$2,500 for individuals purchasing health insurance—regardless of the source of that coverage, regardless of how one purchases it, and regardless of one's income. The tax credit would ensure that everyone has access to the same level of financial support through the tax code to obtain basic health insurance. By putting consumers more in control of their tax subsidy dollars and the rest of their health spending, health insurers and health care providers will be more accountable and responsive to their real customers.

My tax credit proposal remains fully compatible with employer-sponsored insurance as the primary vehicle for workers and their families to gain coverage. People can still gain access to the tax credit if they receive their insurance through their employer. Many workers are already content with the choices and advice offered by their employer, and any reform must respect the freedom to keep your care and insurance just as they are. But Americans should be able to choose whom they trust, just as we should trust them to make the best decisions for themselves and their families.

Individuals who currently don't have access to employer-sponsored insurance where they work can use the tax credit to purchase individual insurance coverage. Everyone purchasing health insurance would gain access to exactly the same tax benefits. The tax credit also helps those people who want to have insurance that is fully portable and can move with them whenever they change jobs. One of the complications in getting insurance through your employer is that it disappears once you change your place of employment or go in and out of the labor market. Insurance should follow the individual, not the job. Individually owned, portable insurance coverage would last longer and help realign the incentives of your insurer to provide more preventive care and design benefits to preserve your health and treat chronic conditions more effectively.

I would improve the non-employer, individual insurance market by building on existing Health Insurance Portability and Accountability Act (HIPAA) protections for people with pre-existing conditions and by expanding support for guaranteed access plan (GAP) coverage in the states that would insure them if they are denied private insurance coverage or only offered it at very high premium costs. We would commit necessary federal resources to ensure that states finance GAP coverage more generously and provide more targeted disease management and case management tools to address the special health needs of those needing such assistance. No American, just because of a pre-existing condition, should be denied access to quality and affordable care.

I would also allow individuals to choose to purchase health insurance across state lines, when they can find more affordable and attractive products elsewhere that they prefer. Opening up

the health insurance market to more vigorous nationwide competition, as we have done over the last decade in banking, would provide more choices of innovative products less burdened by the worst excesses of state-based regulation. Consumer-friendly insurance policies will be more available and affordable when there is greater competition among insurers on a level playing field. You should be able to buy your insurance from any willing provider—the state bureaucracies are no better than national ones. Nationwide insurance markets that ensure broad and vigorous competition will wring out excess costs, overhead, and bloated executive compensation.

### Transforming Medical Practice

We must remember that reforming our insurance markets to make them more competitive and accountable to consumers is important, but the fundamental long-term focus must remain on improving and transforming the practice of medicine to ensure the broader and more consistent delivery of high-quality care. Health insurance is simply a financial device that shifts around the apparent costs of the nation's overall health care bill among various payers. The fundamental problem remains that the bill is too large, particularly for the value of what it delivers in quality care and improved health outcomes.

As daunting a challenge as it poses, merely controlling the growing cost of health care is not enough. The current system of care also fails to produce sufficient quality of health outcomes. We have to change the practice of medicine in America, to make sure that we can get better care at lower cost for every American. My comprehensive reform plan would move us away from a fragmented system to one that rewards prevention and better-coordinated care. We need to shift our focus from mere volume of care to quality of care that is grounded in coordination of care and achievement of good health outcomes. We need to provide strong incentives to move the practice of medicine away from a siloed provider-based approach into a more patient-centric coordinated approach.

We are paying too much now for the kinds of outcomes we receive. We need to pursue opportunities in collaboration with providers for lower costs through incentivizing better practice patterns that reflect the latest in medical science and more effective treatment regimens for costly chronic conditions.

Government health programs such as Medicare and Medicaid should lead the way in health care reforms that improve quality and lower costs. Medicare practice patterns in particular often drive private practice patterns. Reforming Medicare is an essential part of moving our health care system from a fragmented fee-for-service approach to care and toward paying for coordinated care and prevention. Paying for coordinated care means that every single provider finally is united on being responsive to the needs of a single person: the patient. This is an essential step to ensure that our seniors have access to high-quality care that they deserve.

Like most of our system, Medicare reimbursement now rewards institutions and clinicians on volume of services rather than quality. We need to change the way providers are paid to focus their attention more on chronic diseases and managing



## Genuine and effective health care reform requires accountability from everyone. Drug companies, insurance companies, doctors, hospitals, medical technology producers, the government, and patients.

their treatment. Changing the way we do business in Medicare can have a dramatic impact not only on the nation's health care bill but also on the health of our nation's seniors.

Genuine and effective health care reform requires accountability from everyone. Drug companies, insurance companies, doctors, hospitals, medical technology producers, the government, and patients must operate in a more transparent environment that reveals what particular elements of health care cost and the outcomes they produce. Protecting the ability of Americans to have access to quality health care through affordable insurance products will involve expanded use of such policy tools as comparative effectiveness research to guide decision-making by medical practitioners; greater transparency and coding of health outcomes; and all-in costs for episodes of treatment so that people can actually make more effective and meaningful decisions about their care.

More rapid and wider implementation of effective health information technology will provide a necessary, but not sufficient, foundation for a value-driven health system. We first need to provide incentives to strengthen the business model for investment in effective HIT. By paying for better outcomes, we would provide strong reasons for people to integrate their care-delivery systems and exchange data and measures of care quality through modern information systems. Those systems will be much more likely to examine patterns of medical practice, identify those that produce better and worse outcomes, measure the total costs they incur, and determine how we can produce improved outcomes at lower costs through more effective prevention efforts and better models of medical treatment.

Also long overdue is fundamental reform of our medical liability system so that providers can perform their vital tasks by following best practices without fear of being sued, instead of being pushed toward costly and redundant forms of defensive medicine. We cannot let the search for high-quality care be derailed by frivolous lawsuits and excessive damage awards. We must pass medical liability reform, and those reforms should provide protection from frivolous lawsuits for doctors who follow clinical guidelines and adhere to patient safety protocols.

### Rediscovering Personal Responsibility

The final important principle of reform is to rediscover our sense of personal responsibility to take better care of ourselves and our children. We must personally do everything we can to prevent expensive, chronic diseases through better health behavior. Our rights in this country are protected by our personal sense of responsibility for our own well-being. Cases of diabetes are going up, not only in the baby boom generation but among younger Americans where obesity, diabetes, and high blood pressure are all on the rise. Parents who don't impart to their children a sense of personal responsibility for their health, nutrition, and exercise—vital quality-of-life information that political correctness has expelled from our schools—have

failed their responsibility. Also, parents have to share in the responsibility to ensure that their children are covered by health insurance if, as is often the case, options are already available to them.

We can build a health care system that is more responsive to our needs and is delivered to more people at lower cost. The "solution," my friends, isn't a one-size-fits-all big-government takeover of health care. It resides where every important social advance has always resided—with the American people themselves, with well-informed American families making practical decisions to address their imperatives for better health and more secure prosperity. The engine of our prosperity and progress has always been our freedom and the sense of responsibility for and control of our own destiny that freedom requires. The public's trust in government waxes and wanes. But we have always trusted in ourselves to meet any challenge that required only our ingenuity and industry to surmount. Any "solution" that robs us of that essential sense of ourselves is a cure far worse than the affliction it is meant to treat. ●

JOHN MCCAIN is a senator from Arizona and the Republican presidential candidate in the November 2008 election.



### CPS FAST FACTS...

- 32 years of successful recruiting
- 15,000 Placements – Lifetime
- \$150 million – Lifetime sales
- Nationwide searches
- 50 Recruiters

### ACTUARIAL FAST FACTS...

- 1/3 of CPS recruiters work in Actuarial and Employee Benefits
- We specialize in Pensions/Life/Health/Investments/Corporate positions
- We fill positions from entry level to senior management, from actuarial students to FSA/Chief Actuary
- We are contingency-based for our clients and free to our candidates

Alan Irish or Mary O'Connell

## Contact us today!

CPS, Inc. • 50 Federal Street • Suite 301  
 Boston, MA 02110-2585 • PH: (617)368-3550 x112  
 FAX: (617)368-3562 • Email: [jobs@cpsboston-jobs.com](mailto:jobs@cpsboston-jobs.com)  
 Visit our website at [www.cps4jobs.com](http://www.cps4jobs.com)  
 Equal Opportunity Employer M/F/D/V