

A close-up portrait of Barack Obama, looking slightly upwards and to the right. He is wearing a dark suit, a white shirt, and a striped tie. The background is dark blue. At the top of the image, there is a stylized American flag with stars and stripes. A yellow diagonal bar is visible on the right side of the image.

Promising All Americans Good Value and Good Health

What this country needs is a comprehensive health strategy that builds on our current system's strengths, while introducing interventions targeted at some of the system's most significant shortcomings.



By Barack Obama



WE HAVE AN IMPORTANT OPPORTUNITY to improve the U.S. health care system. We have some of the world's most technologically advanced and innovative medical care, but our system faces serious challenges. Forty-seven million Americans lack any type of health insurance, and another 16 million are underinsured. Health care costs are escalating at an unsustainable rate—a trend that could worsen as our population ages. Although Americans invest almost twice as much in health as citizens of other industrialized countries, we are no healthier as a result. Furthermore, too many Americans go without high-value preventive services, and incentives are not aligned for providers to properly manage patients with epidemic chronic illnesses, like diabetes or asthma.

Tackling these issues requires a comprehensive strategy. I have a three-part plan to improve America's health care system. My plan will: 1) provide every American with affordable, comprehensive health coverage; 2) rein in costs and improve the quality of care by modernizing the health care system; and 3) invest in clinical and community efforts that promote prevention and public health.

Increasing Access to Affordable Health Insurance

I will establish a new national health plan, similar to the plan available to federal employees and members of Congress, that gives every American the opportunity to buy affordable health coverage. The new plan will be available to all Americans, including individuals unable to obtain coverage through their workplace or existing public programs. The plan will provide affordable insurance to those who are self-employed and to small businesses to offer in turn to their employees. And under an Obama administration, all health insurance plans will guarantee eligibility, ensuring that no American is turned away from health insurance because of illness or pre-existing conditions.

I will also create a National Health Insurance Exchange for individuals wishing to purchase private insurance. The exchange will act as watchdog to help reform private insurance markets. It will create transparent standards and guidelines to increase fairness, affordability, and accessibility throughout the industry. Through the exchange, all Americans will have the opportunity to enroll in an approved private plan. The exchange will ensure that private plan premiums, co-pays, and deductibles are fair and stable.

For those who cannot afford the new plan and private insurance under the National Health Insurance Exchange, income-related federal subsidies will be available to buy into the new public plan or to help pay for private insurance. My

health care plan will also streamline enrollment to assure ready access to coverage. It will minimize paperwork to make enrollment simpler and less costly and will make coverage fully portable, so participants can change jobs without jeopardizing their health care.

I will require employers who do not offer meaningful health care coverage or make a significant contribution towards their employees' coverage to contribute a portion of their payroll toward the costs of the national plan. I will also require that all children have meaningful health coverage and will allow young people up to the age of 25 to continue coverage through their parents' plans. I will expand Medicaid and the federal State Children's Health Insurance Program (SCHIP) eligibility and ensure that they continue to serve their critical safety net function. Finally, I will encourage states to continue to innovate and experiment with different methods of coverage expansion, as long as they meet the minimum federal standards established for the national plan.

Controlling Costs and Improving Quality

I have several proposals to control escalating costs while improving health care quality. Experts have written that my plan will save the typical American family \$2,500 per year on medical expenditures, and save businesses \$140 billion per year in reduced premiums.

The U.S. health care system provides some of the world's most technologically advanced health care, but medical technologies are not always used optimally in this country—a practice that increases the cost of medical care without improving the health of Americans. More comprehensive research into the effectiveness of drugs, devices, procedures, and treatment modalities will help us identify the best diagnostic and treatment options, and eliminate wasteful spending. As part of a compre-



Under my plan, employers will be reimbursed for a portion of the catastrophic costs they incur above a threshold if they promise to use those savings to reduce the cost of workers' premiums.

hensive strategy to improve health outcomes and reduce waste, I will establish an independent institute to engage in comparative effectiveness research that helps doctors understand what therapies actually contribute to better patient outcomes.

I will also ensure that all public plans implement disease management programs—systems that help patients with chronic illnesses better manage their conditions. My plan will improve care coordination and integration by supporting team-based approaches, such as medical homes. To promote transparency and provide Americans a greater role in health care decisions, I will require hospitals and providers to collect and publicly report quality and cost data, including rates of preventable medical errors and hospital-acquired infections—and my plan will accelerate efforts to align reimbursement with the provision of high-quality care. Too often, public and private insurers pay providers based on the volume of services provided rather than the quality or the effectiveness of the care. My plan will reward providers in all public plans for achieving performance thresholds based on physician-validated outcome measures.

To make all of these quality improvement initiatives possible, I will invest in transitioning the U.S. health care system to an electronic format. Electronic medical records will facilitate coordinated care, assist efforts to measure and improve quality, and reduce medical errors that arise from paper-based systems. These improvements will save money in the long run, as will electronic claims-processing, which costs half the amount it takes to process paper claims. My plan will phase in requirements for the full implementation of health information technology while protecting patient privacy. Systems will be developed in coordination with providers, including those in rural and underserved areas.

I will also implement cost reduction measures that tackle administrative waste and the rising cost of prescription drugs. In health insurance markets where there is little competition, my plan requires insurers to pay out a reasonable share of their premiums for patient care instead of retaining them for profits or excessive administrative overhead. Another serious problem is the cost of prescription drugs, which has fueled a major portion of the growth in health care expenditures. I will allow Americans to buy their medicines from other countries if the drugs are proven safe. I will also increase the use of generic medicines, when appropriate, in all public plans, and will repeal the Medicare Part D ban prohibiting drug negotiations with drug companies. Savings from this measure alone could result in \$30 billion that could be further invested in improvements in health care coverage and quality.

I will also reduce the excessive subsidies received by private plans participating in the Medicare Advantage program. Although these plans were established to increase competition and reduce costs, independent reports show that, on average,

the government pays private plans 12 percent more for Medicare Advantage than it costs to treat comparable beneficiaries in traditional Medicare. Eliminating these handouts will save Medicare money, at a time when the baby boomers are beginning to retire. I will ensure that Medicare remains affordable and accessible for senior citizens and others who rely on this program.

I am also the only major candidate to propose addressing catastrophic health care costs, which are putting a competitive strain on our businesses. Catastrophic health care expenditures account for a high percentage of medical expenses and create significant challenges due to adverse selection in health insurance markets. Under my plan, employers will be reimbursed for a portion of the catastrophic costs they incur above a threshold if they promise to use those savings to reduce the cost of workers' premiums.

Finally, I will address health disparities. An overwhelming body of evidence shows that certain racial and ethnic minorities and economically disadvantaged populations in the United States are significantly more likely to receive substandard care and have poorer health outcomes. I will challenge the medical system to eliminate these inequities by requiring hospitals and health plans to collect, analyze, and report data on disparities, and I will hold these institutions accountable for differences found. Furthermore, I advocate the diversification of the health care workforce to ensure culturally effective care, funding for evidence-based interventions that reduce disparities, and expanding the capacity of safety-net institutions that are an important source of care for underserved populations.

Promoting Prevention and Strengthening Public Health

I understand that, in the absence of a major shift towards prevention and a strong emphasis on public health, health care costs will continue to rise without commensurate improvements in Americans' health. I have proposed several measures aimed at strengthening public health infrastructure and emphasizing a more prevention-based health care system.

The Obama health plan will guarantee access to essential clinical preventive services to all public plan enrollees. I will also increase funding for community-based interventions that help Americans lead healthy lifestyles. I will expand and reward worksite health promotion programs, such as flu vaccines, exercise facilities, smoking cessation support, and healthier foods in vending machines and cafeterias. Finally, I plan to work with schools to promote healthy environments for our children by offering assistance with contract policy development for local vendors, grant support for school-based health screening programs and clinical services, and increased financial support for physical education and student health education programs.

Our primary care providers and public health workers will lead the effort to protect the nation's health and promote wellness.

Yet, the numbers of both are dwindling. I will expand funding—including loan repayment, adequate reimbursement, grants for training, workforce recruitment, and infrastructure support to improve working conditions—to ensure a strong workforce that will champion prevention and public health activities.

Federal, state, and local governments also play critical roles in disease prevention and health promotion. I support the effort of governments at all levels to collaborate on national and regional public health strategies. I also advocate greater research to optimize organization of the nation's 3,000 public health departments. Finally, the government must examine its policies in other areas such as education, agriculture, and the environment to establish a coordinated strategy for improving public health.

My health plan builds on our current system's strengths, while introducing interventions targeted at some of the system's most significant shortcomings. It offers health coverage for all, regardless of ability to pay or pre-existing conditions. It addresses the cost crisis, improves quality, and fills the information technology gap. It promotes public health by investing in health promotion and disease prevention infrastructure and initiatives. It promises Americans good value and good health for the 21st century. ●

BARACK OBAMA is a senator from Illinois and the Democratic presidential candidate in the November 2008 election.

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