



POSITION ON

# National Health Reform

## We Need to Address Cost, Quality, and Access Challenges Simultaneously

Workable health reform must successfully reduce costs and improve quality and safety in the health care delivery system while expanding access. Initiatives that do not do so will fail and any expansion of access will only be temporary and exacerbate cost problems.

To improve quality and control costs, we must implement:

- A culture of quality and patient safety,
- Payment systems that reward outcomes not just utilization,
- Payment systems that support primary care and care coordination,
- Transparency of health care price and quality information,
- Comparative effectiveness research of health care interventions,
- Evidence-based medicine wherever possible,
- A secure, nationwide electronic health information network,
- Portable, personal health records for all,
- A focus on prevention and primary care,
- Capital spending only where truly needed,
- Personal responsibility for health and engagement in care decisions, and
- Reform of the health care legal system.

## Everyone Must Have Health Insurance

Every adult should be required to have health coverage for themselves and their dependent children.

The following conditions are needed to make this possible:

People under age 65 should have access to a range of coverage choices through employers, the federal or state governments, insurers, or other pooling arrangements that includes at least one option with a core benefits package that should be determined at the national level that includes essential evidence-based preventive, primary, prenatal, maternity, urgent and emergent care, chronic condition management, care coordination, and hospitalization insurance.

Coverage options beyond the core benefit package could be available to individuals through their employers, the federal government, state governments, insurers, or other pooling arrangements.

Coverage must promote efficiency by including best management practices such as mandatory generics to keep it affordable (see supporting document for recommendations on best management practices).

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A strong health care safety net and public programs such as Medicaid and SCHIP that provide effective and efficient care will be a critical part of the solution and should provide high quality care to those with little or no income who cannot afford coverage.

Any enforcement mechanisms for an individual health insurance requirement should be at the federal/national level and result in no additional administrative burden for employers.

### **Oppose Mandates Requiring Employers to Either Offer Health Coverage or Pay the Government**

States and the federal government should be working with health plans, employers and other stakeholders to develop, offer, and promote low cost, voluntary programs (including health insurance exchanges, new pooling arrangements, and the ability to purchase coverage approved in other states to cover working families who have low or moderate incomes, and programs to assist small employers in offering health coverage to their employees.

### **Support The Federal Framework of ERISA for Employer-Sponsored Health Benefits and Oppose Federal Waivers for State Health Reform**

Employers must continue to have the flexibility to determine the types of benefits they offer and to tailor benefit plans to the specific needs of their employees and the circumstances of their companies.

States can, and should, play an important role in expanding coverage, and they have significant resources and authority to adopt innovative programs to do so.

States should not be permitted to regulate employer-sponsored benefit plans under waivers or carve-outs of ERISA's national framework.

### **We Should Maintain the Current Favorable Tax Treatment of Employer-Sponsored Coverage and Level the Playing Field for Individually-Purchased Insurance**

We oppose capping or eliminating the current tax exclusion for employer contributions to employee health benefits.

We also oppose capping or eliminating the current ability of employers to fully deduct their expenses for employee health care.

We support full tax equity for the purchase of individual coverage. There should be no tax differences for people who purchase insurance coverage on their own and those who have coverage through their employer.

Everyone should be able to pay for out-of-pocket health care expenses on a pre-tax basis.

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