

# Healthcare Reform

Congressman Jack Kingston

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# Healthcare

## What are our challenges?

- **Affordability**
- **Access to Health Insurance**



# Affordability

- **Third Party Payer**
- **Chronic Diseases**
- **Defensive Medicine/High Expectations**
- **End of Life**
- **Waste and Fraud**

# Access to Health Care

- **Unemployed**
- **Preexisting Illness**



# Cost

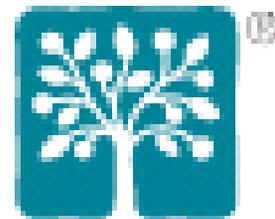
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**The U.S. spends \$2.4 trillion a year on health care – that is 17 percent of our economy!**

# Third Party Payer



BlueCross BlueShield  
Association



CIGNA

We want you to know<sup>®</sup>



UnitedHealthcare<sup>®</sup>  
Healing health care. Together.<sup>®</sup>

HUMANA<sup>®</sup>  
*Guidance* when you need it most

# Third Party Payer System

- **1960 – consumers paid 47 % out of pocket**
- **2004 – consumers paid 13 % out of pocket**

# How much does this cost?



# **Chronic Diseases = 75% of all Medical Costs**

## **Top five chronic diseases:**

- Asthma**
- Heart Disease**
- Hypertension**
- Diabetes**
- Cholesterol**

# Defensive Medicine & High Expectations

- **Malpractice awards have risen**
  - **\$157,000 in 1997 to \$300,000 in 2003**
  - **Even when physicians prevail at trial, their defense costs an average of over \$87,000**
- **Doctors ordering unnecessary tests contribute up to 10 percent of our healthcare costs.**



# End of Life Care

- **One Third of Medicare payments go to the 5 % that die each year**
- **If half of the estimated 566,000 American adult cancer patients who died in 2008 had the end-of-life discussion, the projected savings would be \$77 million**

# **Waste, Fraud, and Abuse**

- **There is a longstanding estimate that around \$100 billion of all healthcare dollars come from fraud and abuse.**
- **Questionable Medicaid claims approached \$18 billion a year – just in New York!**
- **\$118,000 Ambulance Ride**

# Waste, Fraud, and Abuse Examples

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- **Deceased Doctors**
- **Goods Never Received**
- **False Claims**

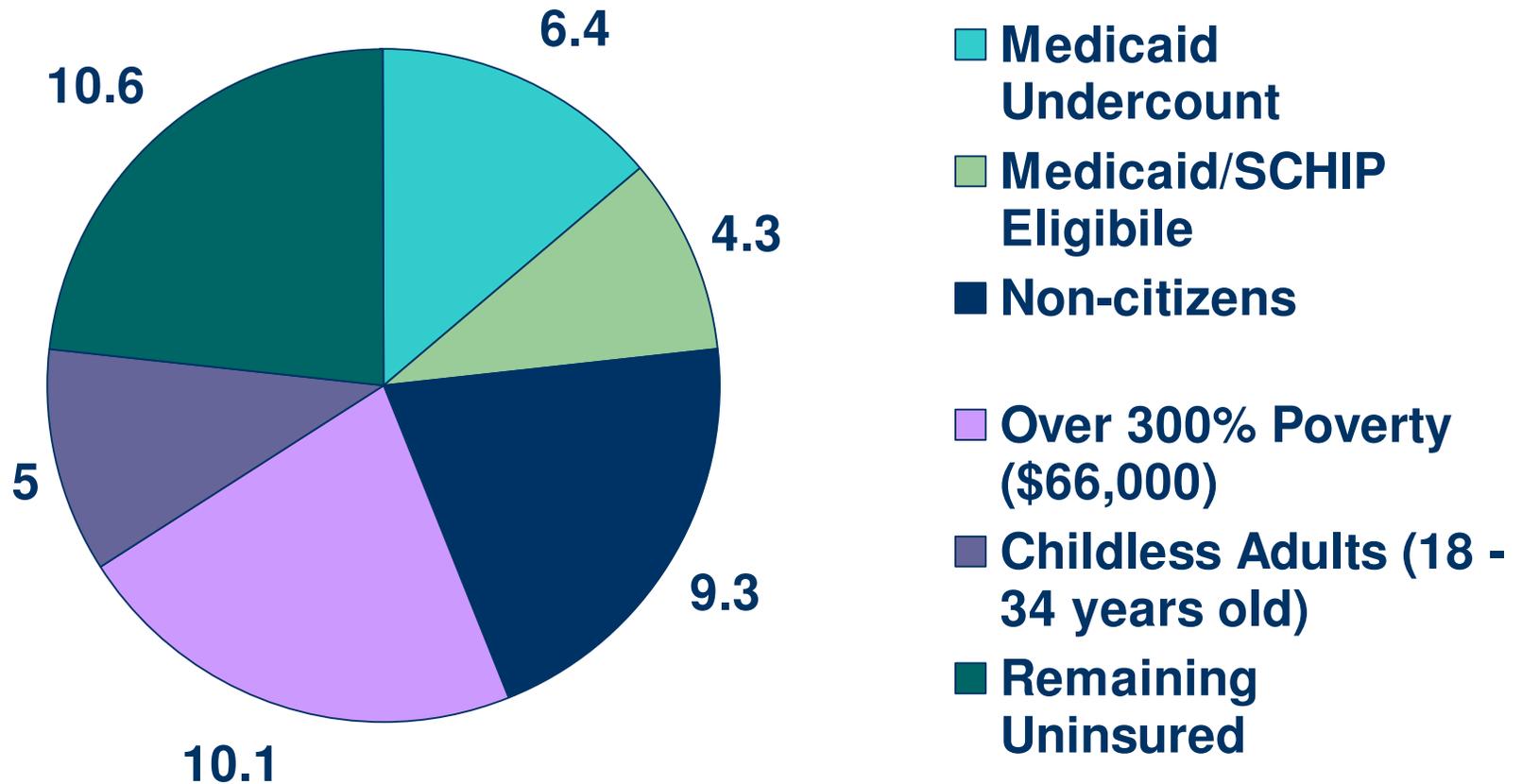
# Access to Affordable Health Insurance

- **Unfair Tax Treatment**
- **Economies of Scale**
- **Lack of portability**
- **Mandated Benefits**



# Who are the uninsured?

**45.7 Million Uninsured**



# Proposals



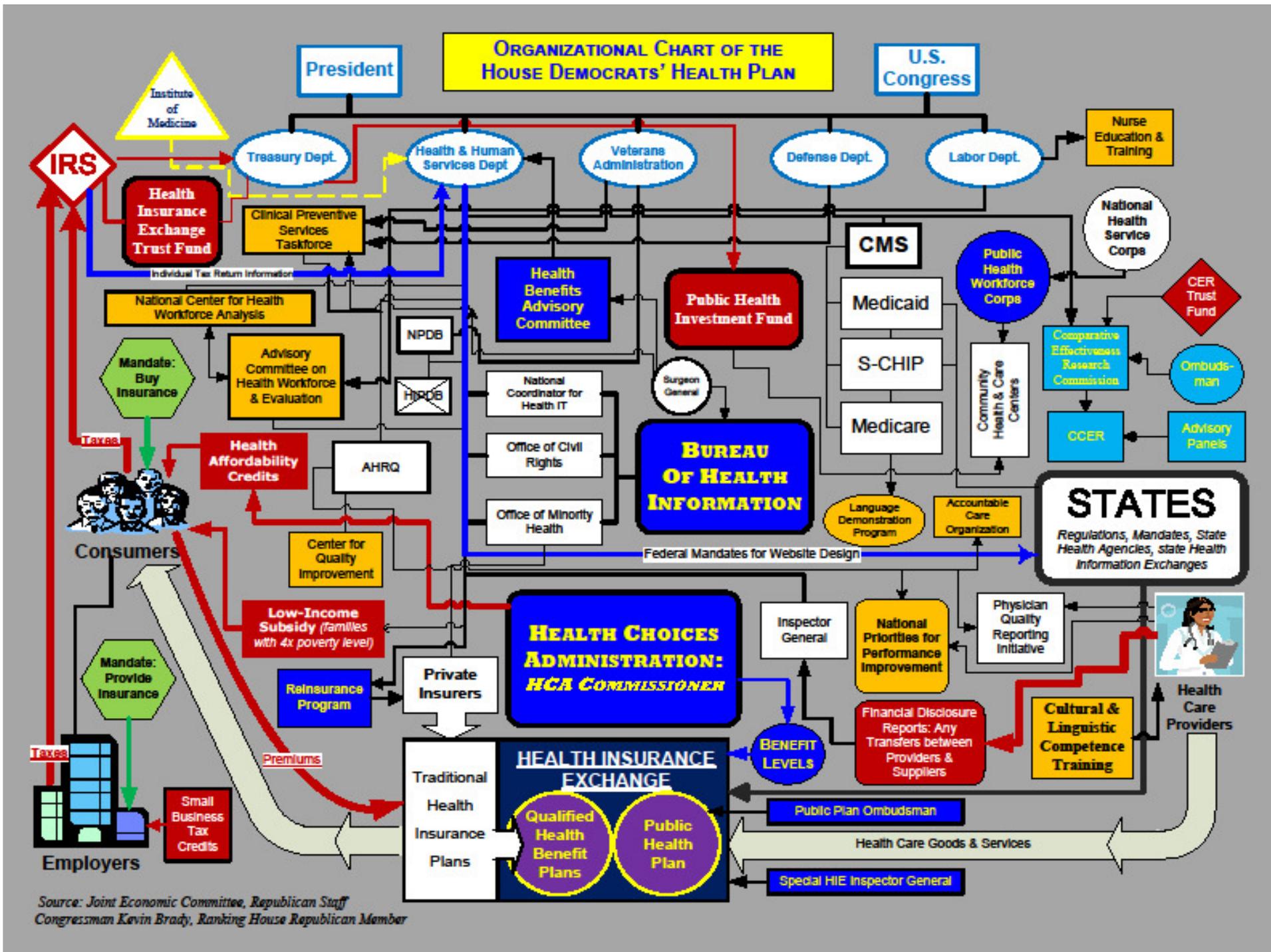
# **H.R. 3200**

## **Pelosi/Waxman Health Plan**

- **Establishes a Government run ‘exchange’ for health care insurance plans**
- **Within the ‘exchange’ there is a Government run, taxpayer funded health insurance plan**
- **Mandates coverage**
- **Requires that employers provide health insurance and that they pay 70 percent of the premium**

# **H.R. 3200 Continued**

- **Guaranteed Coverage**
- **Expands Medicaid**
- **Health Benefits Advisory Council dictates coverage and rules**

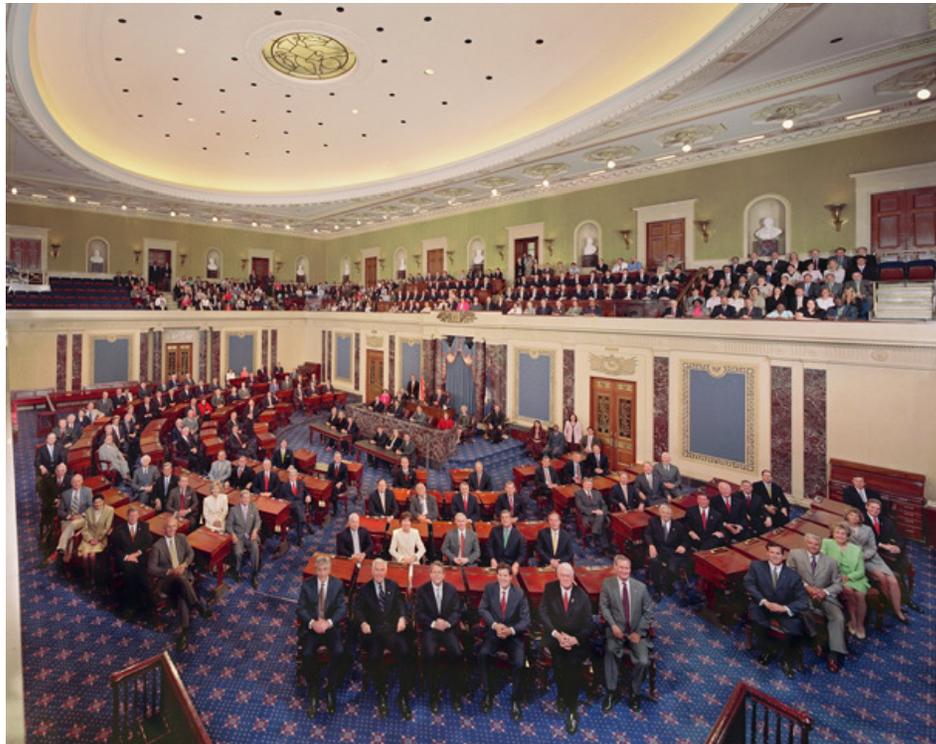


# Patients



# Doctors

# Senate?



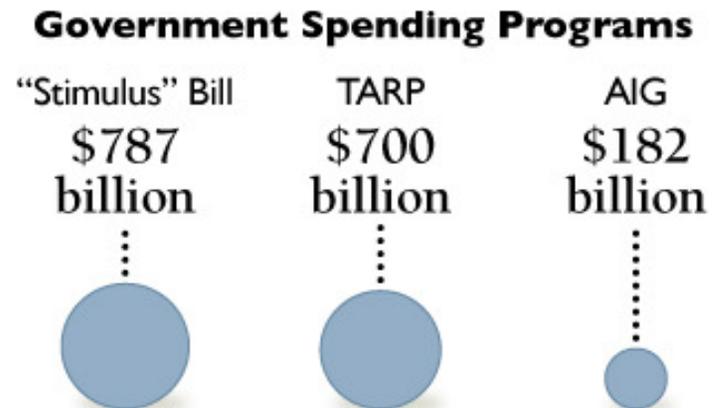
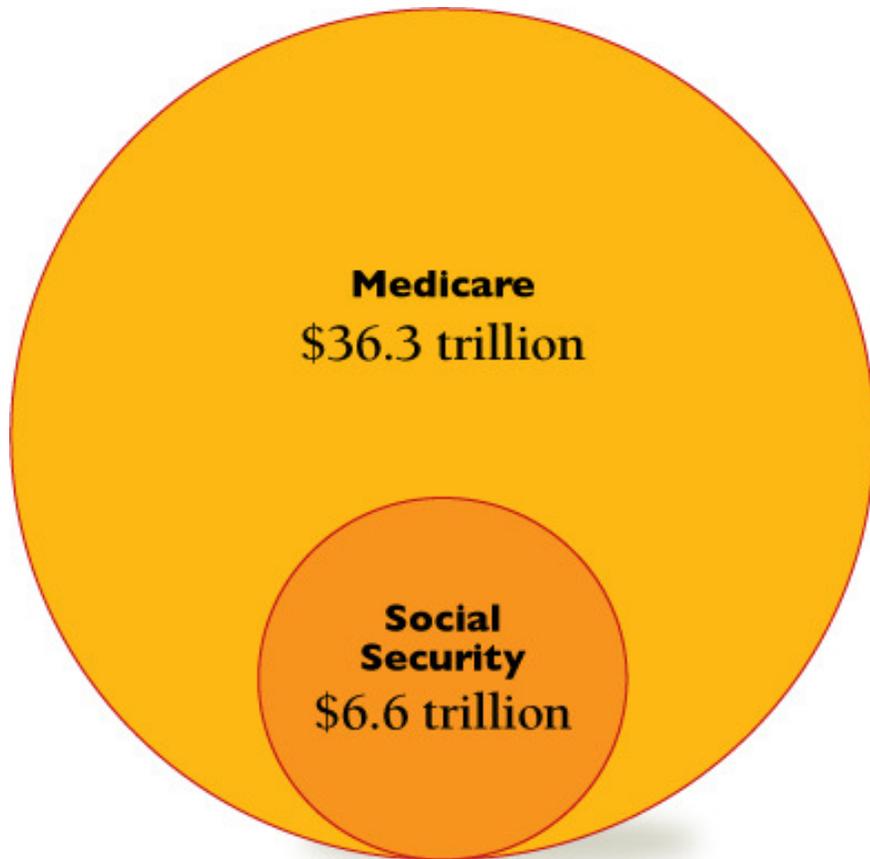
# Cost Estimate of H.R. 3200

**\$1.29 TRILLION**

– Paid for with

- Surtax (\$534 billion)
- Business penalties for not providing insurance (\$208 billion)
- Business errors (up to \$500,000)

# Debt



## **Republican Proposals**

- **Tax break for individuals**
- **Voucher - tax credits to low and moderate income Americans**
- **Association Health Plans**
- **Medical liability reform**

# **Republican Proposals**

## **Continued**

- **Health Savings Accounts**
- **Encourages states to create a Universal Access Program**
- **Small business tax credits**
- **Dependents remain on the parents' health policies up to the age of 25**
- **Across state line purchasing**

# On what do we agree?

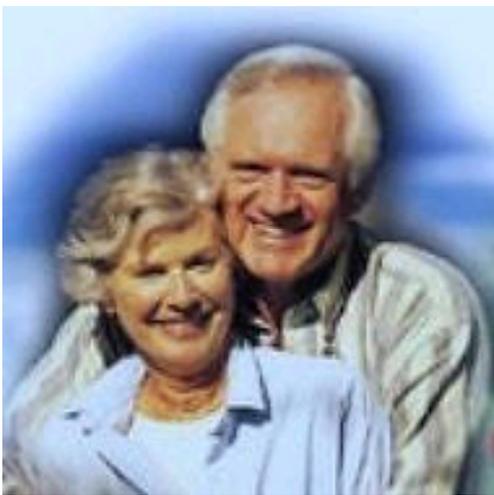
- **Easier and cheaper access**
- **Change the way Hospitals and Doctors are paid**  
– **quality versus quantity**
- **Preventive Care**
- **Treatment of Preexisting Conditions**

# Topics for Discussion

- **Do you think efforts to reform the health care system will increase your taxes?**
- **Do you think efforts to reform the health care system will increase your health care costs?**
- **Should health insurance be public or private?**
- **Should employment-based health insurance be strengthened, weakened, or left alone?**
- **What roles should states play?**

# Topics for Discussion

- **Should individuals be required to have health insurance?**
- **Are you happy with your current plan and should you be able to keep it?**
- **Should health care be rationed?**
- **Who should make end of life decisions?**



**What are your ideas,  
questions, and comments?**

