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Book Review: An Overview of Health Care Reform: A View of the Forest--An Introduction to Taft Strategic Atlas: U.S. Health Care Reform by Frederick I. Taft

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BOOK REVIEW

AN OVERVIEW OF HEALTH CARE REFORM: A VIEW OF THE FOREST - An Introduction to TAFT STRATEGIC ATLAS: U.S. HEALTH CARE REFORM By FREDERICK I. TAFT¹

Steven R. Smith and Stephen J. Werber²

Health care reform has become one of the most complex public policy issues currently facing the American public and is among the most significant domestic policy issues of this century. Any reform program will involve reconfiguring and reorganizing one of the largest sectors of the United States economy. Thus, it has a direct relation to the complexities of federal and state budget planning. It also will involve the most sensitive health care issues, literally matters of life and death.

The two primary motivations supporting systemic change in health care are (1) that too many Americans have either little or no health insurance protection, and (2) annual increases in the cost of health care are so great that they threaten to swamp the budgets of federal and state governments (due to Medicare and Medicaid costs) and many businesses. These factors suggest the magnitude of the problem faced by any effort to obtain a national solution.

Previous federal programs that reformed sections of health care suggest that caution is necessary when attempts to change the health care system are made. These programs can be more expensive than imagined, as illustrated in the kidney dialysis program and Medicaid, because more people become eligible than expected or service costs increase dramatically. Political support can be lost at critical times as observed in regard to federal catastrophic care insurance for the elderly. Complicating the search for workable reform is the fact that the growth of HMO's and a range of reimbursement-provider relationships have already created a significant shift in the delivery and reimbursement environment.

Neither programs from other countries (Germany and Canada) nor state proposed reforms (Oregon and Hawaii) have provided a clear model to avoid

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unnecessary changes or to provide adequate guidance for resolution of national health care issues. Resolution of these issues will determine how we, as a nation, provide health care services, charge for those services, compensate providers, prioritize forms of medical treatment and eligibility for treatment, and redefine the role of individual and group health insurance systems. Change in any of these areas will have a direct impact upon all Americans. This means, of course, that there is a strong political aspect to health care reform. Any plan that gives the average American a lower quality of health care or health care choice, as defined by patients, and/or increases taxes, as defined by the taxpayer, is not likely to be politically viable even if it is economically sound and establishes a health care delivery dream plan.

The financial range of the current health care delivery problems, combined with their highly personal and emotional nature, assures us that there will be continuing political debate. This debate, to date, is often neither well informed nor likely to lead to optimal results. At the least, attorneys and health care providers must know the terminology of the debate, the conflicting resolutions currently proffered, and the extent to which existing proposals find a common ground.

One of the difficulties facing a public official or interested citizen is that there are many health care system options and proposals for reform predicated on the assumption that we know the terminology and understand the proposals. The fact is that it is nearly impossible for any but the most dedicated analysts to understand these plans.

Those interested in health law, who wish to follow and participate in the national debate, need a method of organizing the trees of definition, individual issues, and plans found in the forest of the debate. The cliché of not seeing the forest for the trees is reversed in this debate as we all can see the forest, but we cannot distinguish or truly discern its contents.

To aid in understanding these issues, *The Journal of Law and Health* has taken the unusual step of reprinting a significant portion of a new book. The Editors believe that a traditional Book Review would not adequately serve this function. Frederick I. Taft has recently published *Taft Strategic Atlas: U.S. Health Care Reform* (Public Strategy Company, Cleveland, Ohio 1993). Its purpose is to provide an overview of the debate on health care reform. It provides a very helpful, practical Glossary that reviews all of the major health care delivery concepts. From "Accountable Health Plan" through "Utilization Review" and related non-medical terms such as the Value Added Tax, this *Atlas* provides basic term definitions together with the source of the term when relevant. Although somewhat fundamental in its approach, the Glossary succeeds in providing the essential terminology information necessary to understand the debate. The *Atlas* reviews the major health care reform plans and provides essential background material on several of these plans. It also contains a limited bibliography for guidance to additional materials bearing upon the major reform issues.

Among the most useful aspects of the *Atlas* is its effort to identify the "Key Concepts" of the competing Health Care Reform proposals. Mr. Taft has analyzed twenty significant health care reform plans to capture the primary principles of each. The plans reviewed include those of:

Henry Aaron;
American Association of Retired Persons;
American College of Physicians;
American Hospital Association;
American Nurses Association;
President Bush;
President Clinton;
Catholic Health Association;
Conservative Democratic Forum;
Ohio Rep. Robert Hagan;
Hawaii;
Health Insurance Association of America;
Heritage Foundation;
Jackson Hole Group;
Rep. James McDermott/Sen. Paul Wellstone;
Oregon;
Mark Pauly;
Uwe Reinhardt;
Stephen Shortell; and
Rep. Pete Stark.

These Plans provide 173 principles, or "Key Concepts," which are then refined into a non-duplicative set of 36 Concepts which provide a synthesis of principle and reveal the commonalities of many plans. The innovative organizational approach of "Key Concepts" should help define the fundamental issues in the complicated debate over health care reform. This approach may also provide an important way of presenting other complex public issues where a variety of plans or solutions are suggested to address various aspects of the problems. Inevitably in such circumstances, as the public debate continues, the plans that are proposed tend to "mix and match" their various key aspects. The "Key Concepts" approach utilized by Mr. Taft permits the reader to track the fundamental issues and proposals as they appear in various plans. This permits us to more easily and accurately compare health care proposals.

As with the entire *Atlas*, Mr. Taft does not seek to present a sophisticated or detailed analysis of the plans or Key Concepts. Rather, he presents the data necessary for basic comprehension in a clear and simple manner. The Key Concepts are classified into 13 topic areas as follows:

GENERAL PRINCIPLES

Cautionary Principles; and
The Individual Perspective.

SPECIFIC PROPOSALS

Expand Employer-Sponsored Insurance;
Make Limited Medicaid Coverage More Widely Available;
Help Underserved Areas;
Restructure the Handling of Malpractice Claims;
Reshape the Private Insurance Market;
Clarify Antitrust Rules;
Use Tax Credits to Cover More People;

Follow Managed Competition Principles;
Control Costs with Global Budgets or Expenditure Targets;
Broaden Medicare to Achieve Universal Coverage; and
Achieve Equity and Efficiency with a Single Payer System.

The text reproduced here is a section of the *Atlas* entitled "Refining the Key Concepts." This section demonstrates the process of sorting elements found in all of the plans into the thirty-six distinct groups and the derivation of a simple "Key Concept" to express the common idea found in each group. The result is an overview of the most important topics in the health care reform debate as well as a means to refer back to the individual plans from which the overview was derived. The text also provides an organizational structure against which future plans can be considered. Thus, for example, the reader will be able to evaluate the plan which will be submitted by President Clinton in terms of its scope, reliance upon prior plan provisions, and its degree of innovation. Those interested in health law will find the analysis particularly useful in understanding the benefits and detriments of reform proposals.

EXCERPTS FROM TAFT STRATEGIC ATLAS:
U.S. HEALTH CARE REFORM

FREDERICK I. TAFT

CAUTIONARY PRINCIPLES

1. HEALTH CARE REFORMS SHOULD PRESERVE SUCCESSFUL ASPECTS OF OUR PRESENT SYSTEM.



President Bush's Plan

Government regulation of private business should be kept to a minimum in order to allow market forces to work effectively.

Heritage Plan

Government health programs such as Medicare and Medicaid should remain largely intact because they function adequately to cover the cost of health care for the elderly and poor.

Heritage Plan

Health care reforms should preserve successful aspects of our present system.

Pauly Plan

Political feasibility and use of existing systems in health care and government are important factors to consider in reforming the health care delivery system.

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Pauly Plan

While the obligation to obtain coverage is on individual citizens, many will choose to satisfy this obligation by continuing with or initiating the purchase of insurance through employment-related groups.

2. COMPREHENSIVE HEALTH CARE REFORM MAY NEED TO BE ACHIEVED IN STAGES.



American College of Physicians Plan

Comprehensive changes may need to be made gradually, particularly those changes that have significant financial impact.

3. REFORM OF THE HEALTH CARE SYSTEM SHOULD NOT RAISE THE FEDERAL DEFICIT.



Heritage Plan

Health care reform should be budget neutral and not raise the federal deficit.

Aaron Plan

Reform of the health care finance system cannot wait until the federal budget deficit is brought under control, so health care financing reform must raise enough revenue so it causes no increase in the deficit.

4. FEDERAL LEADERSHIP IN SHAPING THE HEALTH CARE SYSTEM IS APPROPRIATE, BUT THE SYSTEM MUST BE ALLOWED TO ADAPT TO STATE AND LOCAL REALITIES.



Hawaii Plan

Federal leadership in health promotion, cost containment and expanding access to health care is needed, but the states should be given room to experiment and find locally appropriate solutions.

Oregon Plan

The health care system must be allowed to adapt to varying local and regional circumstances.

American Nurses Association Plan

Shape the delivery system to respond to local needs and realities.

Catholic Health Association Plan

No task should be absorbed by a higher, more centralized level of the health care system if that task can be performed adequately at a lower level.

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Catholic Health Association Plan

While the states should define local health care needs, set priorities, and manage competition, the federal government, through an independent public agency, should coordinate and finance the national health care system and guarantee universal access.

5. AVOID DETAILED REGULATION OF THE PROVIDER-PATIENT RELATIONSHIP.**American Hospital Association Plan**

Health care providers must be given greater freedom to make decisions without micro-management by government payers and insurers in order to focus more energy on patient care and less on administrative details.

American College of Physicians Plan

Physicians will accept cost constraints in a reformed health care system if there is an end to the overwhelming regulatory intrusion that currently dominates medical practice.

American College of Physicians Plan

There is an appropriate role for regulation at the macro-level, such as governing the supply of health resources, but micro-level regulation of the physician-patient relationship has failed.

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Catholic Health Association Plan

Improve and coordinate health care for individual families and communities by realigning the financial incentives which providers face rather than through a burdensome regulatory structure.

THE INDIVIDUAL PERSPECTIVE

6. CONSUMERS SHOULD BE MADE CONSCIOUS OF HEALTH CARE COSTS AND GIVEN INCENTIVES TO MAKE COST-EFFECTIVE CHOICES ABOUT THEIR CARE.



Pauly Plan

Consumers who are conscious of health care costs will use preventive services more and emergency services less.

American Nurses Association Plan

Give consumers incentives and the means to be cost-conscious about health care and actively involved in their own health care decisions.

American Hospital Association Plan

Because most consumers have insurance and do not pay directly for the cost of health care, they have little incentive to conserve their use of health care resources, compare potential benefits to cost, or shop for the most cost-effective providers.

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Conservative Democratic Forum Plan

Basic health insurance policies should require copayments to make consumers cost-conscious.

7. AMERICANS VALUE HIGHLY THE OPPORTUNITY TO MAKE CHOICES ABOUT THE KIND OF HEALTH CARE THEY WILL RECEIVE.



Heritage Plan

Changes in the health care system should maximize the opportunity for individuals to make choices about the kind of health care they will receive.

Heritage Plan

The success of the "consumer choice" health benefits program which covers over nine million federal government workers indicates that American consumers will be capable of making sound choices on health insurance plans if they are provided with adequate information.

Reinhardt Plan

Some tiering of the quality of health care services by income class is inherent in such ideas as consumer choice and managed competition.

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Reinhardt Plan

Assure low income individuals a basic comprehensive health care benefit package, but allow higher-income groups to enroll in more comprehensive plans.

American Hospital Association Plan

The freedom of individuals to choose a primary caregiver supports a traditional American value and ensures a convenient point of entry into the health care system.

Jackson Hole Group Plan

The freedom to choose health care providers and bargain for health insurance is important to consumers and ingrained in the American health care delivery system.

American Association of Retired Persons Plan

Cost containment efforts should not unreasonably limit a patient's choice of health care provider, because the freedom to make choices regarding one's health care provider is a valued element of our present system.

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Catholic Health Association Plan

Health care consumers and individual providers must have meaningful opportunities to participate in the shaping and governance of the health care system.

McDermott/Wellstone Plan

Each individual should be free to choose among independent practitioners or to enroll in a managed care plan.

8. PRIMARY CARE SHOULD BE AVAILABLE IN ACCESSIBLE, FRIENDLY SETTINGS TO LOWER BARRIERS TO TIMELY CARE.



American Nurses Association Plan

Deliver primary health care in community-based settings, such as schools, work sites and community health centers.

American Hospital Association Plan

Health care is a local concern because people generally seek medical care and develop relationships with primary care providers in their own community.

American Hospital Association Plan

Individuals must be encouraged to obtain care when they need it and in an appropriate health care setting.

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**American Association of Retired Persons
Plan**

Easy access to health care will encourage individuals to use needed services, especially primary and preventive services such as maternal and child health care, immunizations, and screening programs.

9. MORE ATTENTION AND RESOURCES NEED TO BE DEVOTED TO WELLNESS PROMOTION AND PREVENTIVE CARE.



American Nurses Association Plan

Focus the health care system on wellness promotion, especially for women and children.

American Hospital Association Plan

The basic health benefits package should emphasize preventive services, such as health education and screening for early detection of disease.

10. EVERYONE SHOULD HAVE BASIC HEALTH INSURANCE COVERAGE.



President Bush's Plan

The health care insurance market must be restructured to achieve portability, wide access, and renewable coverage for all citizens.

Pauly Plan

Health care is a service which the nonpoor in the community are concerned about providing to the poor.

Reinhardt Plan

U.S. health care reform should achieve universal coverage, portable health insurance, simplicity and administrative cost control.

Reinhardt Plan

All taxpayers should pay a small tax to help finance health insurance for the poor.

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Clinton Plan

Provide all Americans affordable access to high quality health care.

Shortell Plan

In addition to cost containment, health care reform must address unmet health care needs and quality of service rendered.

American College of Physicians Plan

All persons living in the United States would through private or public insurance have access to the same benefits - all medically effective and appropriate care.

Aaron Plan

The federal government can use its regulatory powers to achieve near universal coverage of working people and their families through private, employer-sponsored insurance and its taxing powers to assure coverage for those with too slender a connection with the workforce.

Catholic Health Association Plan

Basic health care should be viewed not as a commodity but as a fundamental right.

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Catholic Health Association Plan

Every human life has intrinsic worth and should not be ranked as more or less important than any other.

Catholic Health Association Plan

To assure decent health care for the poor and uninsured, create a health care system in which their fate is linked to that of the average American.

McDermott/Wellstone Plan

Achieve universal coverage through a single payer system.

EXPAND EMPLOYER-SPONSORED INSURANCE

11. REQUIRE ALL EMPLOYERS TO PROVIDE BASIC HEALTH INSURANCE AS A JOB BENEFIT OR PAY AN EQUIVALENT TAX TO ENROLL EMPLOYEES IN A PUBLIC PLAN ("PLAY OR PAY").



American Nurses Association Plan

Achieve universal coverage for a federally-defined minimum benefits package by requiring employment-based health insurance (or an equivalent tax payment by the employer) and covering the rest of the population with a public health insurance program.

American Association of Retired Persons Plan

Employers should pay a health care payroll tax unless they opt out by providing a federally-defined comprehensive health benefits package of private insurance to their employees.

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American College of Physicians Plan

Employers must "play or pay," but the private insurance must be designed so it will generally be cheaper for an employer to play (provide private insurance) than to pay the tax to enroll employees in the public plan.

Aaron Plan

The federal government should mandate that employers either sponsor coverage for all workers employed at least twenty-five hours a week, or pay a tax equal to roughly 9 percent of total payroll.

OPPOSING CONCEPT

President Bush's Plan

The "play or pay" approach would hurt small businesses, increase costs for government, force employers to reduce wages or cut employees, and eventually cascade into a form of national health insurance.

**12. REQUIRE ALL EMPLOYERS TO PROVIDE
BASIC HEALTH INSURANCE AS A JOB
BENEFIT ("PLAY").**



Hawaii Plan

Mandated employer-sponsored health insurance covering a basic benefits package is the practical foundation for universal health insurance, because it leaves a manageable gap to be filled between Medicaid and private insurance.

**Health Insurance Association
of America Plan**

To achieve universal health insurance coverage, have all employers sponsor health insurance for their employees, publicly fund care for the poor, and require all others to purchase their own coverage.

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American Hospital Association Plan

Universal coverage should be gradually achieved by requiring employment-based health insurance and consolidating and enlarging the Medicaid and Medicare programs.

OPPOSING CONCEPTS

Reinhardt Plan

Employers should not be required to provide health insurance for employees, because the cost of such a mandate is simply shifted to customers (in the form of higher prices), to employees (in the form of lower wages or reductions in other fringe benefits) or, least likely, to owners (in the form of lower profits).

Reinhardt Plan

All health care dollars are ultimately drawn from the budgets of individual households.

**MAKE LIMITED
MEDICAID COVERAGE
MORE WIDELY AVAILABLE**

**13. RATION LIMITED MEDICAID FUNDING
TO COVER ONLY THOSE HEALTH
SERVICES THAT ACHIEVE A PUBLICLY-
DETERMINED THRESHOLD OF COST-
EFFECTIVENESS.**



Oregon Plan

Practical limits on health care resources mean that not every beneficial service can be included in a basic health care package to be assured to everyone.

Oregon Plan

Explicit ranking of all health care services to determine which services will be funded and which lower priority services will be denied is an honest and effective way to allocate limited funds for health care of the poor.

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Aaron Plan

Since society has never placed an infinite value on human life, the right to health care services necessarily has limits.

**14. EXPAND MEDICAID TO COVER THOSE
JUST ABOVE THE POVERTY LEVEL.**



Conservative Democratic Forum Plan

Medicaid should be transformed into a new federal program that will pay health plan premiums for those in poverty and provide a premium subsidy on a sliding scale for those with incomes between 100 and 200 percent of the poverty level.

Stark Plan

Medicaid should be gradually expanded to provide assistance to individuals with incomes up to 200 percent of the federal poverty level.

HELP UNDERSERVED AREAS

**15. RURAL, INNER CITY AND OTHER AREAS
UNDERSERVED BY THE HEALTH CARE
SYSTEM NEED EXPANDED GOVERNMENT
SUBSIDIES FOR FACILITIES AND
PERSONNEL.**



President Bush's Plan

In order to increase the number of doctors and clinics in inner city and rural areas and increase preventive care, funding should be expanded for community health centers, Migrant Health Centers and the National Health Service Corps.

Conservative Democratic Forum Plan

Funding to assist rural and other underserved areas should be substantially increased.

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American College of Physicians Plan

To control costs and provide universal access to medically effective care, enhanced investment is needed in training generalist physicians, in medical research and in management of medical information.

McDermott/Wellstone Plan

Greater emphasis should be placed on the delivery of primary and preventive care, especially in underserved areas.

RESTRUCTURE THE HANDLING OF MALPRACTICE CLAIMS

**16. MEDICAL PRACTICE GUIDELINES,
ALTERNATIVE DISPUTE RESOLUTION
AND OTHER MEASURES ARE NEEDED TO
LESSEN DEFENSIVE MEDICINE AND
CONTROL THE COST OF HANDLING
MALPRACTICE CLAIMS.**



Hawaii Plan

Tort reform will help control the cost of defensive medicine.

President Bush's Plan

Incentives that encourage malpractice litigation and defensive medicine can be changed by eliminating joint and several liability, excluding double recovery, promoting alternative dispute resolution, and requiring structured payments for malpractice awards.

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Health Insurance Association of America Plan

Limit defensive medicine through clinical practice guidelines and malpractice litigation reforms.

Conservative Democratic Forum Plan

Reform of the system for handling malpractice claims is needed to reduce the costs of expensive litigation and defensive medicine.

President Clinton's Plan

Medical practice guidelines and other measures are needed to control the cost of dealing with malpractice.

RESHAPE THE PRIVATE INSURANCE MARKET

17. STANDARDIZE AND STREAMLINE HEALTH INSURANCE CLAIMS PROCEDURES.



President Bush's Plan

Administrative costs in health care can be reduced through regulatory reforms that streamline the paperwork and by market reforms that allow small businesses to share administrative costs through group purchasing.

Health Insurance Association of America Plan

Handle claims with a user-friendly, paperless system.

Jackson Hole Group Plan

Standardizing health care insurance practices will improve cost-effectiveness by encouraging competition and creating administrative simplicity.

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Conservative Democratic Forum Plan

Federal standards should be developed for health claim forms and electronic transmission of health claims data.

President Clinton's Plan

Administrative burdens must be reduced by streamlining procedures.

Stark Plan

Uniform claims-handling procedures and electronic networks among providers and payers should be established by the federal government to control the cost of administering the health care system.

18. ASSURE INDIVIDUALS ACCESS TO HEALTH INSURANCE WITHOUT REGARD TO PREEXISTING CONDITIONS, AND PROHIBIT OR NARROWLY LIMIT THE USE OF EXPERIENCE RATING TO VARY PREMIUMS.



Hawaii Plan

Insurers must insure all employees, regardless of risk, and community rating must be required unless it naturally prevails.

Oregon Plan

Require participation by insurance companies in state-run high-risk pools to increase access to coverage for individuals whose preexisting medical conditions would otherwise leave them "uninsurable."

Heritage Plan

Assure that individuals can renew health insurance with limited premium increases regardless of health problems.

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American Nurses Association Plan

Reform private insurance practices to require community rating and eliminate preexisting condition exclusions.

**Health Insurance Association
of America Plan**

Insurers must issue and renew health care coverage for all, regardless of health, financial or employment status.

**Health Insurance Association
of America Plan**

Allow limited experience rating of health insurance premiums to preserve cost control incentives, but do not allow drastic premium disparities for demographically similar groups.

Conservative Democratic Forum Plan

Health plans should not be allowed to exclude coverage of preexisting conditions or use experience rating.

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President Clinton's Plan

To widen access to health insurance, new rules must require community rating, open enrollment without regard to preexisting conditions, and availability of a basic benefits package.

Stark Plan

To protect wide access to health insurance, new rules for health insurers should eliminate most preexisting condition exclusions and require community rating.

American College of Physicians Plan

Insurance plans should be required to offer the same benefits, pay providers according to the same fee schedule, and accept all enrollees, so they would be forced to compete on price charged and on value delivered.

19. ELIMINATE UNDERPAYMENTS BY PUBLIC HEALTH CARE PROGRAMS THAT SHIFT COST BURDENS ONTO PRIVATELY INSURED PATIENTS.



**Health Insurance Association
of America Plan**

Eliminate underpayments by public health care programs that shift cost burdens onto privately insured patients.

CLARIFY ANTITRUST RULES

20. CLARIFY ANTITRUST RULES THAT GOVERN HOW COMPETING HEALTH CARE PROVIDERS MAY SHARE EQUIPMENT, CREATE MANAGED CARE ORGANIZATIONS, OR COLLABORATE IN OTHER WAYS.



President Bush's Plan

Antitrust rules should provide clearer guidelines for health care providers on sharing of medical technology and services, peer review activities, and pooling arrangements.

USE TAX CREDITS TO COVER MORE PEOPLE

21. TO BRING THE POOR AND THE LESS AFFLUENT INTO THE HEALTH INSURANCE MARKET, CREATE A FEDERAL TAX CREDIT USABLE FOR HEALTH INSURANCE ONLY WHICH YIELDS A REFUND FOR THE POOR BUT GRADUALLY DIMINISHES AS INCOME RISES.



President Bush's Plan

The use of tax credits and deductions to assist in the purchase of insurance plans will protect consumer choice and increase awareness of health care costs.

Heritage Plan

Require everyone not covered by a public program to buy basic health insurance and use a tax credit that diminishes as income rises to fund purchases by those with low incomes.

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Pauly Plan

A health care tax credit that diminishes with rising income and that yields a refund for the poor should be substituted for the current tax exclusion of health care benefits.

22. THOSE WHO DO NOT SECURE PRIVATE INSURANCE SHOULD BE ASSIGNED TO A PUBLIC HEALTH INSURANCE PLAN AND, IF THEY ARE ABOVE THE POVERTY LEVEL, REQUIRED TO PAY A PREMIUM SCALED TO INCOME.



Pauly Plan

To increase awareness of health care costs and to invigorate the market for health insurance, individuals should be required to bargain for and purchase a minimum package of health insurance.

Pauly Plan

Since there are limits to an individual's willingness or capacity to obtain health care insurance, the government must provide a mechanism for ensuring basic health insurance coverage for individuals who do not arrange coverage on their own.

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Pauly Plan

People may not recognize or accurately evaluate their own need for health care or health insurance coverage, so the government must establish a minimum required level of coverage.

Reinhardt Plan

Those individuals who do not have private insurance should pay a progressive tax to fund insurance to be provided to them by the government, which will bargain for such insurance as a powerful buyer.

**23. TREAT ALL EMPLOYEE HEALTH
BENEFITS AS TAXABLE COMPENSATION.****Heritage Plan**

In order for individuals to become more aware of the costs of health care insurance and to raise money to cover the cost of a tax credit program, employer-paid health insurance benefits should be included in the employee's taxable wages.

Pauly Plan

Individuals will shop more aggressively for value in spending their health care insurance dollars, if they see and feel the insurance being purchased with pre-tax dollars.

Pauly Plan

Exclusion of health care benefits from income tax distorts employee bargaining behavior in favor of compensation through untaxed health care insurance and gives an inequitable tax break to employees who work for firms with health care benefits as opposed to those who work for firms without such benefits.

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Reinhardt Plan

Keeping the present system in which most people secure health insurance through their work is fine, but employees should be taxed on the value of the insurance.

FOLLOW MANAGED COMPETITION PRINCIPLES

24. PRESERVE THE PRIVATE MARKET CORE OF OUR HEALTH CARE SYSTEM AND DEVISE PROCOMPETITIVE MEASURES TO CORRECT ITS SOCIETAL INEQUITIES AND OTHER MARKET FAILURES.



**Health Insurance Association
of America Plan**

Use procompetitive public regulations to foster a flexible, pluralistic system of delivering and financing health care.

Jackson Hole Group Plan

Preserve the private market core of the American health care system and pair it with appropriate regulation by government to encourage competition among provider organizations and correct market failures.

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President Clinton's Plan

The government must intervene in the health care system to adjust societal inequities which market forces cannot adequately correct because the free enterprise system does not serve the poor as well as it serves the wealthy.

25. FORM AN INDEPENDENT NATIONAL COMMISSION TO ESTABLISH A UNIFORM SET OF HEALTH BENEFITS AND TO MONITOR AND IMPROVE THE HEALTH CARE SYSTEM.



**Health Insurance Association
of America Plan**

A national commission should establish a basic benefits package and rules of conduct for the health care marketplace.

American Hospital Association Plan

An independent federal commission should establish the basic health benefits package and capitation fee guidelines.

Jackson Hole Group Plan

To enhance the nation's capacity to get data on and evaluate services provided to patients, a national health board and several private sector boards should be established that would work together to monitor and improve the health care system.

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Conservative Democratic Forum Plan

Form an independent national board to establish a uniform set of effective health benefits and monitor system performance.

**American Association of Retired Persons
Plan**

The federal government should establish a comprehensive health care benefits package to which all individuals are entitled.

American College of Physicians Plan

A national health care commission with representation from patients, providers, employers, insurers, government and other key sectors of society should determine a minimum package of health care benefits.

26. THE FEDERALLY-DETERMINED MINIMUM BENEFITS PACKAGE MUST INCLUDE A LIFETIME CONTINUUM OF PRIMARY, ACUTE, AND LONG-TERM CARE.



**American Association of Retired Persons
Plan**

Health promotion, disease prevention, and acute and long-term care should be coordinated to ensure a continuum of care throughout the lifetime of an individual.

**American Association of Retired Persons
Plan**

An important element of a long-term care program is assisting families and friends who act as informal caregivers but who themselves need supportive services such as respite care and adult day care.

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**American Association of Retired Persons
Plan**

By setting reasonable levels of cost-sharing by patients and spreading the rest of the cost of long-term care across the entire population through an expanded Medicare program, all individuals can receive long-term care when they need it.

Catholic Health Association Plan

The federally-determined minimum benefits package must include a lifetime continuum of primary, acute, and long-term care.

McDermott/Wellstone Plan

A comprehensive basic health benefits package should extend to such services as substance abuse treatment, mental health programs and long-term care.

27. INVOLVE EXPERTS AND THE GENERAL PUBLIC IN DETERMINING AN ACCEPTABLE MINIMUM HEALTH BENEFITS PACKAGE.



Oregon Plan

Broad public participation in the development of a basic health care package allows the shared values of the community to shape the outcome and should give those individuals who will be most affected a chance to express their views.

Jackson Hole Group Plan

Since health care resources are limited, the government should, in setting a minimum acceptable standard of health benefits coverage, draw on both expert data and general public commentary.

28. ENCOURAGE THE FORMATION OF INTEGRATED HEALTH CARE DELIVERY AND FINANCING NETWORKS THAT PROVIDE MANAGED CARE FOR A SET FEE PER INDIVIDUAL, THEN STRUCTURE THE MARKET SO THESE NETWORKS MUST COMPETE AGAINST EACH OTHER.



Reinhardt Plan

On the supply side, the government should encourage the development of managed care options, though a role will remain for more expensive fee-for-service arrangements.

Health Insurance Association of America Plan

Successful cost containment depends on fostering competition among managed care plans that are accountable to patients and the community.

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American Hospital Association Plan

Health care networks that offer the needed continuum of health care services should be organized at the community level because communities differ in terms of health care needs, medical practice patterns, regulation of health care providers, and available resources.

American Hospital Association Plan

Collaboration of providers within health care networks and competition among networks is a good formula for cost containment.

Jackson Hole Group Plan

To provide more cost-effective benefits to society, the government should foster the development of integrated health care delivery and financing systems and structure the market so these systems must compete with each other.

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Conservative Democratic Forum Plan

By using strong tax incentives to encourage insurers and providers to form integrated health care plans, the health care market can be managed more effectively and competition can be fostered.

American Association of Retired Persons Plan

The growth of managed care plans should be encouraged.

Shortell Plan

Health care providers should be clinically accountable for the health care services they deliver and should be financially rewarded for enhancing the health status of the population they serve.

Catholic Health Association Plan

State Health Organizations should oversee the shaping of health care resources into competing integrated delivery networks.

**29. PROMOTE HEALTH INSURANCE
PURCHASING COOPERATIVES TO POOL
INDIVIDUAL AND SMALL BUSINESS
BUYING POWER.**



Oregon Plan

Promote health insurance purchasing networks to pool individual and small business buying power.

President Bush's Plan

The use of health insurance networks to pool buying power recognizes that individual consumers and small businesses are limited in terms of bargaining power and resources.

Reinhardt Plan

The federal government should reconfigure the health care system to organize and strengthen the collective bargaining power of consumers on the "demand side" of the health care equation.

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Jackson Hole Group Plan

Since small businesses and individuals, especially the uninsured, have limited expertise and ability to bargain for health insurance coverage, they should have the opportunity to join purchasing cooperatives that will collectively bargain on their behalf for such coverage.

Conservative Democratic Forum Plan

Create large regional health insurance purchasing cooperatives to give individuals and small businesses the benefits of greater buying power.

President Clinton's Plan

Health insurance purchasing cooperatives must be fostered to pool small business and individual buying power.

Stark Plan

Promote health insurance purchasing cooperatives to bargain for managed care plans and increase buying power for individuals and small businesses.

30. REQUIRE HEALTH CARE PROVIDERS TO DISCLOSE COST AND PERFORMANCE DATA.



Hawaii Plan

Providers must be required to publish cost and performance data so those who purchase health care can bargain intelligently.

American Hospital Association Plan

Networks should be accountable to their communities for cost-effectiveness and for maintaining and improving the health status of the community they serve.

Jackson Hole Group Plan

The government should require health care providers to make available standardized health outcomes and cost data.

Hagan Plan

Providers must be required to disclose cost and performance data to the state-run health care plan.

31. LIMIT THE INCOME TAX EXCLUSION FOR HEALTH BENEFITS TO THE COST OF BUYING THE FEDERALLY-DETERMINED MINIMUM BENEFITS PACKAGE FROM A LOCAL MANAGED CARE PROVIDER.



Hawaii Plan

To make all parties cost-conscious, specific limits should be set on the value of health insurance benefits which can be excluded from an employee's taxable income.

**Health Insurance Association
of America Plan**

To promote tax equity and to help fund health care coverage for the poor, any employee health benefits in excess of the basic benefits package should be treated as taxable income to the employee.

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Jackson Hole Group Plan

To achieve greater equity and promote effective bargaining for health insurance, the income tax exemption for individuals' health insurance premiums paid by employers or by the self-employed should be limited to the cost of the minimum benefits package.

Conservative Democratic Forum Plan

Employers should be allowed to deduct basic health plan costs, but not the excess costs of policies which cover more than the basic benefits package.

Conservative Democratic Forum Plan

All individuals, including the self-employed, should be allowed to exclude from taxable income 100 percent of the cost of a basic health benefits package.

32. ALLOW PAYMENTS TO HEALTH PLANS TO QUALIFY FOR FAVORABLE TAX TREATMENT ONLY IF THE PLANS COMPLY WITH THE MANAGED COMPETITION RULES.



Conservative Democratic Forum Plan

To keep tax-favored status, health plans must offer the standard benefits package, comply with insurance reforms and disclose information on medical outcomes, cost-effectiveness and consumer satisfaction.

CONTROL COSTS WITH GLOBAL BUDGETS OR EXPENDITURE TARGETS

33. USE GLOBAL BUDGETS OR EXPENDITURE TARGETS AT THE NATIONAL AND STATE LEVELS TO CONTROL THE GROWTH OF HEALTH CARE COSTS.



American Hospital Association Plan

When health care providers are held publicly accountable for health outcomes and financially responsible for maintaining a predetermined budget, there are proper incentives to maintain patient health and keep costs to a minimum.

American Association of Retired Persons Plan

Cost containment can be achieved by setting expenditure targets at the national and state level and by establishing uniform reimbursement rates for both the new Medicare system and private insurers.

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President Clinton's Plan

Use of global budgets at the national and state levels set by a national health care board is necessary to control growth of health care costs.

Stark Plan

A global health care budget for the nation operating in conjunction with a federal rate-setting system for all health care services is necessary to control health care costs.

Stark Plan

An independent agency established by the federal government should set prices for all health care services.

Shortell Plan

Areawide health care budgets and a controlled price for a basic benefits package are necessary measures for cost-effective management of the health care system.

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American College of Physicians Plan

Global budgeting will promote cooperation and compel providers and payers to explicitly negotiate how to meet each community's needs with limited dollars - a function largely missing in an open-ended, fee-for-service system that rewards excessive care.

American College of Physicians Plan

Exceeding budgets will sometimes be justified, since global budgeting is a device to introduce fiscal discipline and to evaluate whether expenditures reflect expected costs, not a mechanism to cut off necessary health care.

Aaron Plan

Efficient allocation of health care resources is better attained through a global budget than through controls on price per unit of service, because price limits provide no incentive to deny low-benefit care.

Catholic Health Association Plan

To control health care costs, use national expenditure caps and risk-adjusted capitated payments to competing integrated health plans.

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Hagan Plan

Requiring institutional providers to negotiate a single annual budget will create appropriate incentives to control cost.

McDermott/Wellstone Plan

Contain health care costs through national, state and institutional budgets, negotiated provider fee schedules, and limitations on prescription drug prices.

McDermott/Wellstone Plan

A state's share of the national health budget should be based on population, cost of living, proportion of rural or medically underserved areas, and any special conditions affecting health status.

OPPOSING CONCEPTS

Hawaii Plan

A national health care budget and federal price controls are unwieldy, unnecessary and politically unappealing.

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Heritage Plan

Health care costs are better controlled through consumer choice than through price controls.

Jackson Hole Group Plan

Top down price controls in the form of global budgets are impractical and would undermine an effort to achieve cost control through managed competition.

34. ESTABLISH HEALTH PROMOTION AND ACCOUNTABILITY REGIONS TO SET BUDGETS, ASSESS NEEDS, AND MANAGE THE HEALTH CARE SYSTEM IN A WAY THAT IS RESPONSIVE TO LOCAL REALITIES.



Shortell Plan

To manage the health care system in a way that is responsive to local realities, states should charter Health Promotion and Accountability Regions (HPARs), that is, regional partnerships among health care system participants.

Shortell Plan

An epidemiological assessment of an HPAR's population will be an important step in determining the health care needs, basic benefits package, and overall health care budget of the region.

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Shortell Plan

HPARs may themselves need backup insurance to cover underestimates of health care use caused by natural disasters or other unexpected events.

Catholic Health Association Plan

Each State Health Organization should serve an appropriate region, which could be all or part of a state, or a metropolitan region in more than one state.

BROADEN MEDICARE TO ACHIEVE UNIVERSAL COVERAGE

**35. ACHIEVE UNIVERSAL HEALTH CARE
COVERAGE BY EXPANDING MEDICARE
AND ABOLISHING MEDICAID.**



**American Association of Retired Persons
Plan**

The Medicaid program should be abolished and the Medicare program should be expanded and strengthened to ensure universal health care access for all individuals, regardless of age, income or employment status.

ACHIEVE EQUITY AND EFFICIENCY WITH A SINGLE PAYER SYSTEM

**36. USE A SINGLE NATIONAL PAYER FOR THE
HEALTH CARE SYSTEM TO CONTROL
COSTS, LIMIT UNNECESSARY
TREATMENT, AND BARGAIN FOR GOOD
ACCESS TO CARE FOR THE
UNDERSERVED.**



Aaron Plan

Since market competition does not function well in small communities or inner city urban areas with a limited number of health care providers, a single payer system supervised by regional agents is needed to monitor patterns of care and bargain for good health care access even in underserved areas.

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Aaron Plan

A wholly public plan is not obtainable because Congress would be unwilling to shift current private health care expenditures and disbursements to public budgets and to displace current health care arrangements for most Americans.

Aaron Plan

Although federal action is necessary to set a floor under the provision of insurance coverage and set global budgets, states should act as financial agents to shape health care spending and health care benefits to meet local needs.

Aaron Plan

Global budgeting requires that control over health care spending be concentrated in one or a few hands.

Catholic Health Association Plan

Fragmentation in the sources of health care funding fosters a similar fragmentation of the delivery system.

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Hagan Plan

Instead of using a patchwork system of premiums, deductibles, copayments, and out-of-pocket expenditures to finance health care, a financing structure which uses payroll and excise taxes will distribute costs more efficiently.

Hagan Plan

The most direct route to universal coverage and acceptable cost control is through a state-run, single-payer health care insurance system.

Hagan Plan

A single payer mechanism will control health care cost inflation and unnecessary medical treatment more effectively than a multiple payer system, because a single payer can conduct systemic analysis and limit payments to providers.

McDermott/Wellstone Plan

A single payer system should be administered by the states under the direction of a national health board.

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McDermott/Wellstone Plan

A single payer national health system which replaces most private health insurance, Medicare and Medicaid will be more efficient than the current multiple payer system.

McDermott/Wellstone Plan

A state-based single payer program will simplify and streamline the health care system and lower administrative waste.

OPPOSING CONCEPTS

President Bush's Plan

Because health care services would have to be rationed and prices controlled, a government-run single payer system would destroy diversity and flexibility in the financing, organization, and delivery of care.

Pauly Plan

Individuals with varying preferences about health care and insurance will be dissatisfied with a single payer, government-run system, because their range of choice of health care services and insurance coverage will be sharply reduced.