



Health Care Reform 101

Joseph R. Carver, MD*

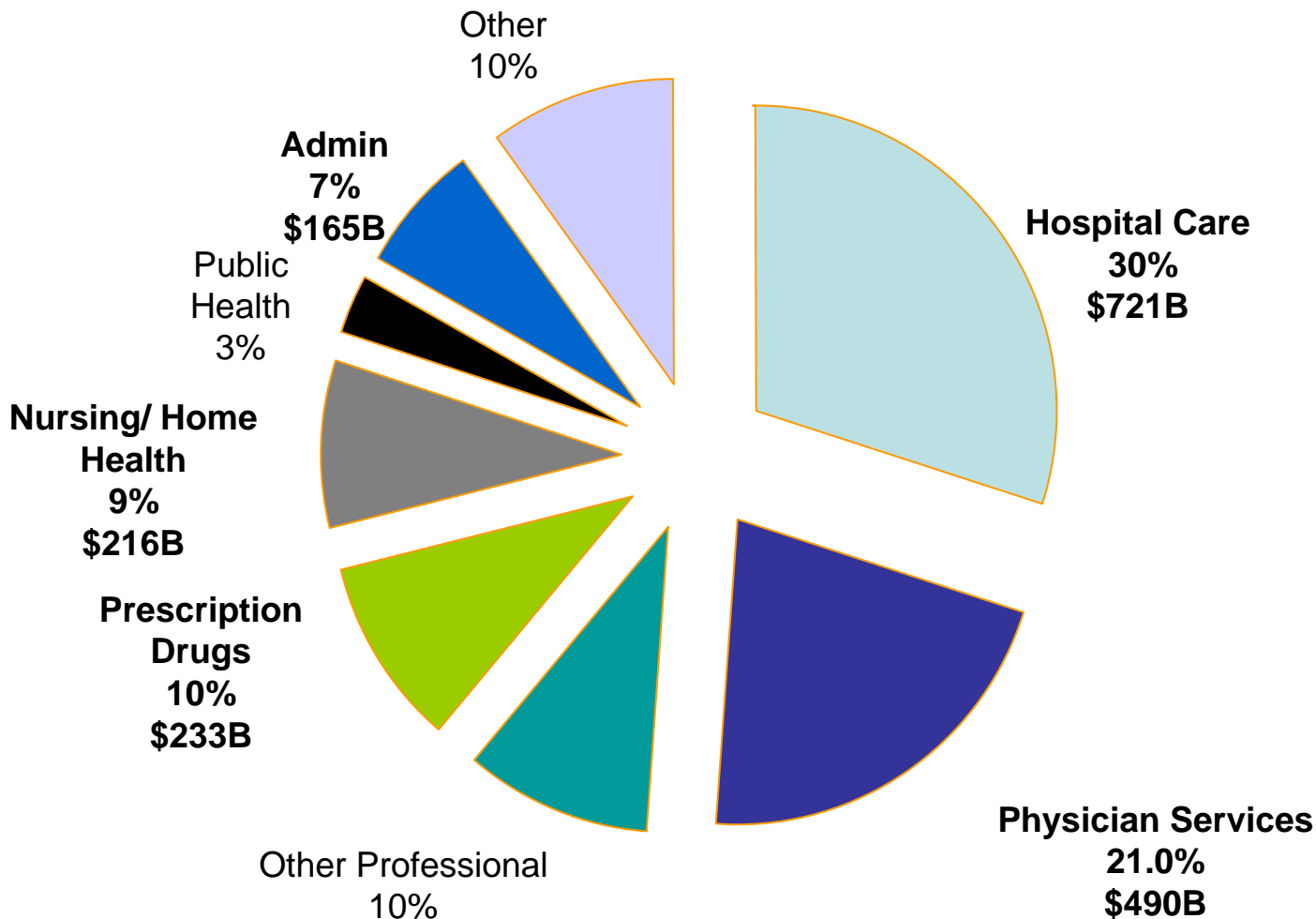
Chief of Staff

Abramson Cancer Center

Sobering Statistics

- Health care consumes >16% of our GNP
- We spend 50% more per person on health care than the average developed country-more than for food or housing
- As many as 50 million Americans are uninsured
- Annually, >1 million people are bankrupted by health care costs
- On our current path by 2040, health care will consume 34% of the GNP and an estimated 72 million will be uninsured
- Even though we spend more we are not healthier. Only 3 developed countries have higher infant mortality rates and we rank 24th in life expectancy among developed countries

Relative Contributions of Different Types of Health Services to Total Growth in National Health Expenditures



The President's Principles for Health Reform

- **Assure universal, affordable, quality health coverage**
- **Maintain coverage when you change or lose your job**
- **End barriers to coverage for people with pre-existing medical conditions**
- **Protect families from bankruptcy or debt due to health care costs**
- **Guarantee choice of doctors and health plans**

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- **Reduce long-term growth of health care costs for business and government**

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- **Invest in prevention and wellness**
- **Improve patient safety and quality care**

Basic Truths

- **Healthcare is a business that is highly politically charged**
- **More coverage = more cost**
- **To date, healthcare reform has just been about insurance reform**
- **In the end, culture trumps everything and will modulate any reform**
- **The status quo is unacceptable**

The Players

The White House



Congress



Lobbyists From Everywhere



Health Care Associations

AMA/AHA/Specialty Societies

AIP/NBGH/PHARMA

Business & Unions

AARP

ETC.....

Three Basic Issues

1. **Covering the uninsured**
2. **Paying for reform**
3. **Improving quality**

Covering The Uninsured: Proposals

- Public plan (single payer)
- Expand government programs
- Individual or employee mandate (play or pay)
- Non-profit cooperatives or exchanges
- Tax credits





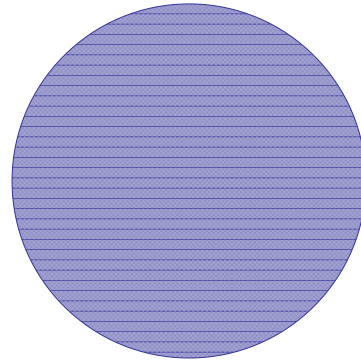
Paying For Reform



- **More efficiency of Medicare/Medicaid (\$600B)**
- **Limit current tax exemptions (\$500B)**
- **Reducing current tax deductions (\$325B)**
- **Additional “luxury” taxes**
 - VAT
 - Sugary/alcoholic beverages

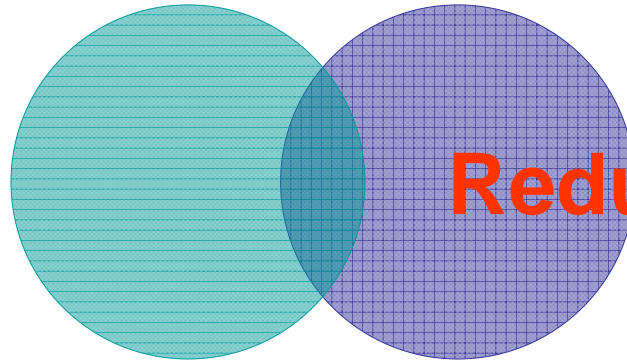
Improving Quality

Support for Primary Care



Improving Quality

**Support for
Primary Care**



Reduction of Errors

Improving Quality

Support for Primary Care



Comparative Effectiveness
Research

Reduction of Errors

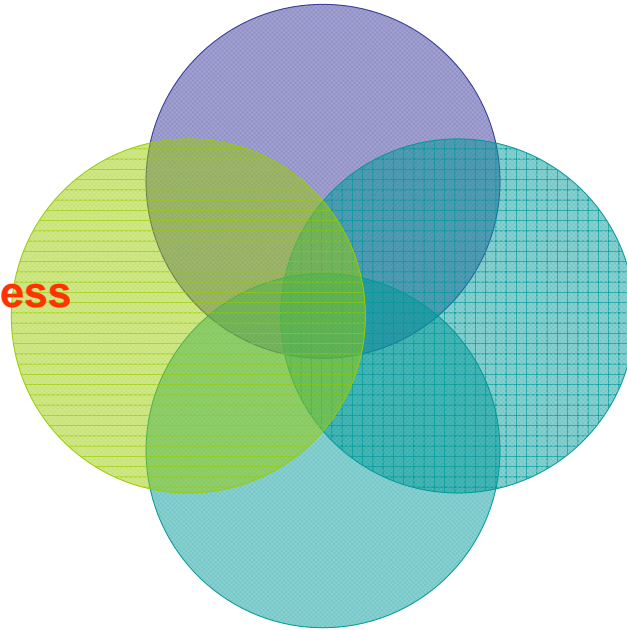
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Pay for Performance



What's Next?



Best Guesses

- **Mandatory coverage by some hybrid model that maintains choice**
- **More consumer protection**
- **More government programs/involvement**
- **Several tiers of coverage**
- **Higher premiums for private insurance**
- **Higher taxes**
- **Gradual implementation**

Will it Work?

The Health Care Plan will be written
by a committee whose head says he doesn't
understand it

Passed by a Congress that hasn't
read it and whose members will be exempt from it

Signed by a President who smokes

Funded by a Treasury Chief who did not pay
his taxes

Overseen by a Surgeon General who is obese

And financed by a country that is broke.

What could possibly go wrong?

Like baseball,

*“You can sum up all of health care reform
in one word: you never know.”*

with poetic license to Yogi Berra