

# **BUILDING A POLITICAL MOVEMENT**



## **HEALTH CARE & EMPLOYEE FREE CHOICE ACT**

### **Barack Obama's Health Care Plan**

#### **Does the plan cover everyone? How?**

Obama's plan will cover people through a combination of private insurance and public insurance. He mandates that all children have health care coverage. Most workers would get coverage through their employers, as they do now. A new national public insurance plan will be established for small businesses to purchase coverage for their employees and to cover individuals who do not qualify for Medicare, Medicaid or SCHIP nor have access to insurance through their employers. The public plan will offer affordable coverage with comprehensive benefits that is similar to the plan available to Members of Congress. Obama will create a National Health Insurance Exchange to help people and businesses purchase private health insurance directly. He believes his plan will cover everyone but some experts estimate that the number of uninsured will decline from 47 million to 15 million.

#### **How does the plan control costs?**

Obama's new public insurance plan will have much lower administrative costs than private insurers, as Medicare does now. Private insurers will have to lower premiums to compete with the public plan and because of efficiencies created through the National Health Insurance Exchange. Insurers will be required to justify an above-average premium increase, and they will have to use a set portion of premiums to fund medical care and not be used for excessive profits, marketing or other administrative costs. Insurance companies will be required to charge fair and stable premiums that will not depend on age, gender, occupation or health status.

Obama will spend \$50 billion to adopt electronic medical records and other health information technology to improve the quality of care and to rein in costs. He will improve efforts to prevent disease and will promote chronic disease management. He also wants to promote the use of generic drugs, allow for reimportation of less-expensive drugs from abroad and allow the government to negotiate drug prices with manufacturers, which it is prohibited from doing now.

#### **What role does the government play?**

Through the National Health Insurance Exchange, the federal government will offer a public insurance plan and act as a watchdog and help reform the private insurance industry by creating rules and standards. Private insurers will be required to offer coverage to everyone, regardless of health status, age or pre-existing conditions. The government will also provide income-related subsidies to help make insurance premiums affordable. Obama wants government to reimburse employer health plans for a portion of the catastrophic costs they incur if they guarantee such savings are used to reduce the costs of workers' premiums.

#### **How does the plan improve health quality?**

Obama will begin to link how much a health care provider is paid for services to the quality of care provided. He will require hospitals and other providers to collect and publicly report measures of health care costs and quality, including data on nurse staffing ratios.

#### **How is the plan financed?**

All employers will be required to contribute to the health care system by offering their own insurance plan or by contributing a percentage of payroll toward the costs of the public insurance plan. Obama estimates his plan will cost the government \$50 billion to \$65 billion a year, which will be paid for in large part by discontinuing tax cuts for those with incomes over \$250,000 that were instituted under President Bush.