



ELECTION 2008

## Health Care Reform and the Presidential Candidates

*The editors asked Senator John McCain, the Republican presidential nominee, and Senator Barack Obama, the Democratic presidential nominee, to describe their plans for reforming the U.S. health care system. Their statements follow. In order to explore their positions in greater depth, the Journal and the Harvard School of Public Health cosponsored a Perspective Roundtable on September 12, 2008, entitled "Health Care in the Next Administration" and featuring senior health policy advisors David Cutler for Senator Obama and Gail Wilensky for Senator McCain. A video of the symposium can be seen at [www.nejm.org](http://www.nejm.org).*

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### Modern Health Care for All Americans

Senator Barack Obama

Doctors and other health care providers work in extraordinary times and have unrivaled abilities, but increasingly our health care system gets in the way of their sound medical judgment. Increasing uncompensated care loads, administrative rules, and insurers' coverage decisions inappropriately influence the practice of medicine. Washington sends dictates but no help.

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### Access to Quality and Affordable Health Care for Every American

Senator John McCain

Americans deserve leadership for real health care reform that provides access to high-quality medical care and ends spiraling costs. But the road to reform does not lead through Washington and a hugely expensive, bureaucratic, government-controlled system. We have all tangled with the existing bureaucracy enough to know that such an approach would diminish, not improve, quality. Our

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We need health care reform now. All Americans should have high-quality, affordable medical care that improves health and reduces the burdens on providers and families. Reform must emphasize prevention, not just treat-

ment of the sick; reduce medical errors and malpractice claims; and make the practice of medicine rewarding again. I believe that by working together we can make these goals a reality.

My health care plan has three central tenets. First, all Americans should have access to the benefits of modern medicine. Once and for all, we must ensure that this great country lives up to its ideals and ensures all Americans access to high-quality, affordable health care. Second, we must eliminate the waste that plagues our medical system — layers of bureaucracy that serve no purpose, duplicative tests and procedures that are performed because the right information is not readily available, and doctors providing unnecessary care for fear of being sued. Third, we need a public health infrastructure that works with our medical system to prevent disease and improve health.

We can work together to achieve guaranteed access to medical care during my first term in office. I talk to hardworking Americans every day who worry about paying their medical bills and getting and keeping health insurance for their families. In addition to this daily injustice, it is just plain costly and inefficient to care for people only when they get very ill. I have been committed to correcting this problem since I first started in public life, and I am determined to see it through.

Under my plan, if patients like the insurance they have, they keep it and nothing changes, except the costs are lowered. For those who are left out or have substandard insurance, my plan will offer a choice of affordable health insurance plans. Through a national health-insurance exchange, people without employment-based insurance or who work in small businesses will have a choice of private insurance policies at rates similar to those offered through large firms. To promote competition among insur-

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challenge is to protect and improve the care that doctors, nurses, and hospitals deliver, while increasing the availability and affordability of health insurance for Americans. I believe we can do this in a simple but power-

ful way: restoring doctors and patients to the center of health care decisions.

I believe the starting point for any health care reform must be restoring the doctor-patient relationship. I share the same goal as our nation's physicians: to make the best care available to everyone. Americans want a system of health care that allows everyone to afford and acquire the treatment and preventive care they need and the peace of mind that comes with knowing they are covered.

Underlying our health care system's many troubles are the fundamental problems of cost and access. Rising costs hurt those who have insurance by making it more expensive to keep. They hurt those who don't have insurance by making it even harder to obtain. Rising health care costs hurt employers and the self-employed alike. And in the end, they threaten to do serious and lasting harm to the entire American economy.

I support a comprehensive and inclusive approach to lowering costs and reforming our health care system with a focus on four pillars:

**Access and choice:** Every American should have access to quality and affordable coverage of their choice, including keeping their current coverage. American families — not government bureaucrats or insurance companies — should choose the coverage that best meets their unique needs.

**Quality:** Strengthening health care quality requires promoting research and development of new treatment models, promoting wellness, investing in technology, and empowering Americans with better information on quality.

**Affordability:** We need genuine competition in the health sector to ensure that drug companies, insurance companies, hospitals, and every other aspect of the health care system are responding

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**Obama**

ers, we will also give patients a new public-plan option, providing the same coverage that is offered to members of Congress and their families.

All insurance companies will have to take everyone, regardless of medical history. Like too many Americans, I watched my mother argue with insurance companies while she was in bed dying of cancer; that should not happen.

To make insurance affordable, we will give families income-related tax credits to expand access and streamline plan enrollment and transactions to reduce the administrative burden. I will also expand Medicaid and the State Children's Health Insurance Program immediately to cover all children who don't have private coverage. And I have specified how I will pay for it — by cutting out waste in the system and redirecting the Bush tax cuts for the wealthiest Americans to help middle-class families afford health insurance.

Unlike some, I do not believe that Americans have overly generous insurance, so I would not impose a new tax on employer-based health insurance, giving employers an incentive to drop coverage and send tens of millions of Americans into the individual insurance market, where insurers cherry-pick healthy enrollees, administrative costs are high, and coverage is less comprehensive and cost sharing is greater. Such a plan would be disastrous.

Health care reform will not succeed unless we create a health care delivery system of which we can be proud. Report after report has pointed out the flaws in the way our system is organized and financed. Clinicians face huge administrative burdens that add to the cost of care and rarely improve its quality. Our reimbursement structure rewards procedures and the use of technology but not time spent with patients or coordinating care. There is little incentive for young physicians to enter into primary care. And U.S. physicians practice with constant concern about malpractice lawsuits.

I am committed to making the fundamental changes necessary to modernize the system to streamline medical practice with the goal of improved patient outcomes. My plan calls for investing \$10 billion per year over 5 years in health information technology. This commitment is not just financial: we will ensure that physicians have the technical support they need to implement new sys-

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**McCain**

to the needs of American families. By rewarding quality, promoting prevention, and delivering health care more effectively and efficiently, we can ensure that all Americans can afford the health care coverage of their choice.

**Portability and security:** We must allow Americans to keep their health insurance as they move from job to job or job to home, and we must protect Americans' economic security from unforeseen health events by expanding coverage and savings options.

Doctors and patients understand that bureaucracies — both within government and within insurance companies — often impede the effective delivery of high-quality care. I believe that we can use government programs like Medicare as a lever of change that improves quality and lowers costs, rather than allowing it to be an obstacle to effective patient care.

I understand that when Medicare squeezes providers to lower the cost of care, the result is distortion of the care that patients receive and increased prices for everyone else. In short, you get what you pay for. We need to work together to reform Medicare, moving away from a system in which government bureaucrats choose how much to pay doctors for fragmented services and toward a system that rewards coordinated care and higher-quality care for seniors.

One of the challenges we must face in reforming our health care system is that of finding ways to keep the American people healthier. Chronic conditions — such as cancer, heart disease, high blood pressure, diabetes, and asthma — account for three quarters of the nation's annual health care bill. Often, the suffering caused by these conditions could be averted by early testing and screening, as in the case of colon and breast cancers. Rates of diabetes and heart disease are also increasing today, with the increase in obesity in the United States, even among children and teenagers.

We need to create a next generation of efforts to prevent chronic disease, early intervention programs, new treatment models, and public health infrastructure. We need to use technology to share information on "best practices" in health care so that every physician is up to date. We

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**Obama**

tems for patient records and billing. By reducing medical errors and unnecessary duplication of tests, this investment will lead to a long-term reduction in our health care system's overall cost.

We also need to change the way we reimburse for patient care. We should start paying adequately for care coordination, case management, and innovative care-delivery models, such as team-based care and electronic communication. Doctors should be paid fairly by private insurers and by Medicare. Payment reform should improve patient outcomes and should lower overall costs by removing incentives for unnecessary care and rewarding the right care, provided at the right time, for the right reasons. Unlike my opponent, I voted against the recent reduction in physician payments. We can't start health reform by penalizing doctors.

Our medical training institutions are the finest in the world, but we need to ensure that doctors have ready access to the best information on medical advances throughout their careers. The best source of information on the value of a drug or a new technology is not the company that produces and markets it, but rather a careful and independent evaluation of patient outcomes. I will develop an independent national institute to work with the medical community to evaluate and disseminate information on the comparative effectiveness of drugs, devices, treatments, and procedures.

I will invest in programs, including loan repayment, training grants, and improved provider reimbursement, to give young doctors incentives to enter primary care. I will also renew our commitment to investing in biomedical research, which suffered a major lapse under the Bush administration.

Finally, I will address medical malpractice with the central goal of preventing medical errors in the first place. Through substantial investment in information and decision-support technology and other patient-safety initiatives, we will reduce the types of medical errors and oversights that lead to lawsuits. And I am open to additional measures to curb malpractice suits and reduce the cost of malpractice insurance. We must make the practice of medicine rewarding again.

Prevention is also a central part of my reform plan. Health care providers can do only so much; patients, employers, and communities all have a role in help-

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**McCain**

need to adopt new treatment programs and financial incentives to promote healthy habits among Americans with the most common conditions, such as diabetes and obesity, in order to improve their quality of life and reduce the cost of their treatment.

While we take steps to lower health care costs, we must also improve access to health insurance. An important part of my plan is to replace the current tax exclusion of the value of health insurance from employees' taxable compensation with a new refundable tax credit of \$2,500 for individuals and \$5,000 for families. Families can use the tax credit to continue their employment-based insurance or to find a plan that better meets their needs.

Families who have job-based insurance today will see little to no change and will continue to keep their current coverage. In fact, millions of American families with employer-sponsored coverage will be better off under this fair and equitable system. However, for the first time the credit will provide help to people who are shut out of the job-based insurance system; they will be able to choose an insurer or other health care arrangement, and the credit will be sent straight to the plan they pick in order to help pay their premiums.

An essential benefit of this reform is that it will help to change the whole dynamic of the current health care system by putting individuals and families back in charge and forcing insurance companies to respond with better service at lower cost. It will also allow Americans to take their health care with them when they change jobs and enable families to stay with the doctors and providers of their choice. When Americans speak of "my doctor," it will mean something again, because they won't have to change from one doctor or one network to the next every time they change employers.

No American should be denied access to affordable coverage simply because of a preexisting condition such as cancer. I will work with states to create guaranteed-access plans that will ensure high-quality coverage, with reasonable premium limits, for these Americans and additional help for low-income individuals.

Our tort system is an invitation to endless, frivolous lawsuits by trial lawyers who exploit patients

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**Obama**

ing us to start out healthy and maintain our health. Patients need to step up their efforts to stop smoking, start exercising, and eat right to maintain a healthy weight. Employers need to invest in healthy workplaces and help their employees maintain an active, healthy lifestyle.

Government has a role, too. I will make new funding available for community-based programs aimed at priority public health problems such as smoking and obesity. I will also reward school and workplace health-promotion and prevention initiatives that increase vaccination and exercise and make healthy foods available in cafeterias and vending machines. Finally, I will work with state and local governments to create a coherent, coordinated national public health strategy.

This election will have enormous consequences for health care in our country. As president, I will modernize our health care delivery system and ensure that all Americans have access to high-quality, affordable medical care. I believe that with help and collaboration, especially from those who work so hard to keep us healthy, we can make health care reform a reality.

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**McCain**

and physicians alike. I understand that the fear of lawsuits not only forces doctors to perform unnecessary tests but also often poisons the relationship between patients and doctors. That is why I have been a consistent advocate of medical-liability-reform legislation, and I believe it must be a central aspect of any health care reform effort.

Health care reform is too important an issue for one person or one party to tackle alone, and I have a record of working across party lines to tackle big challenges and change the way Washington works. By starting with putting doctors and patients back at the center of health care decisions, we can reform the U.S. system in a way that protects the quality of care while making it affordable and accessible to all.

I do not believe that reforming our health care system should mean issuing burdensome mandates that push American families away from private coverage and creating new government bureaucracies that will translate into higher taxes, reduced provider payments, and long waiting lines. The key to real reform is to strengthen the doctor-patient relationship and provide American families with more choices for high-quality and affordable care.

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## Perspective Roundtable: Health Care in the Next Administration



Senior health policy advisors to the presidential candidates — David Cutler for Democrat Barack Obama and Gail Wilensky for Republican John McCain — discuss the candidates' positions on health care reform in a symposium moderated by Arnold Epstein and cosponsored by the *Journal* and the Harvard School of Public Health. Watch the video at [www.nejm.org](http://www.nejm.org).