The Change We Need is Health Care Reform

United States Senator Bob Bennett (R-UT)

It has been 15 years since the Senate has taken up bipartisan health care reform. And for 15 years, the quality and efficiency of our health care system has spiraled downward while the costs continue to escalate. We have reached the tipping point and health care reform is not something the Congress can avoid any longer.

Change is the buzz word in Washington today, and I am working to ensure that we will see positive change for every American when it comes to our health care system. I have joined forces with Senator Wyden from Oregon to bring change to our health care system, an issue that has long been taboo in Washington because it was too partisan to touch. However, Senator Wyden and I recognize that if we are to have any truly meaningful reform to health care in America, we have to transcend party lines and find common ground.

What we want is for every American to have access to the same choices of care available to members of Congress. Our proposal, the Healthy Americans Act, would create a market-driven health care system that guarantees affordable, quality health care for every American without breaking the bank.

The ailing economy is on the mind of every American and although we must address the immediate financial crisis, Congress can no longer ignore the wasteful entitlement spending and the growing deficit. Health care costs in the United States are growing at an unsustainable rate. Currently, 17% of our GDP is spent on health care; it is a higher percentage of GDP spent on health care than any other country in the Organization for Economic Co-operation and Development (OECD.) Kaiser Family Foundation found that the percentage of GDP spent on health care in the United States is currently enough money in the system to provide health insurance.
Employees can take that money and purchase their employer’s plan, if the employer offers insurance, or they can buy a private insurance plan through the state agency or regional Health Help Agency. Employers will continue to be responsible for helping their workers pick a plan. The state agencies will create and manage a single entity where there will be a one stop shop for health insurance that can never be taken away even if the individual changes jobs or gets sick. Also, rather than giving the tax benefit to the employer, the employee is able to receive the tax benefit by withholding premium payments.

What families do not realize is that the money currently being spent on their health insurance is their money. Employers are spending the employees’ money to purchase health care benefits. The employees, however, do not get to choose how their money is being spent. The Healthy Americans Act puts families in charge of their own money and their own health care decisions.

The Healthy Americans Act also recognizes that many Americans like the coverage they are offered through their employer because what they have works for their family. So, it provides employers with the option to continue to offer those plans and employees with the option to accept it. However, it is the individual who is spending his or her own health care dollars on one of the available choices.

While some American employees are fortunate enough to have health coverage, they have no bargaining power to get the best deal on health care and generally have access to only a single plan offered by their employer. Employees often pass on advancement opportunities or job changes because their health coverage is not portable and they fear that their families will not receive the same level of care if they switch jobs. This “job lock” created by the absence of health coverage portability not only stifles individual progress but economic growth as well. Moving beyond the confines of the current employer-based system would lend a critical strength to productivity in the labor force.

Creating an individual market-driven system will generate competition among the health insurance companies. Various plans would compete on price, but insurers would have to take all applicants and charge the same amounts regardless of a person’s health status or age. Medicaid would be eliminated and those in poverty would have their premiums fully subsidized, with partial subsidies for those at up to four times the poverty level. The poor would no longer be regulated by a government-run plan, but would have choices of plans like everyone else, eliminating income barriers in access to health care.

Currently, people without insurance do not pay premiums and therefore shift the cost of their care to those with insurance. One study found that that, in California, cost shifting from the uninsured accounted for 12.3 percent of the total increases in private plan prices from 1997 to 2001. The only way we can prevent the cost shifting from occurring is by having every person pay into the system.

The Healthy Americans Act would also change our “sick care” system to one that provides incentives for individuals and insurers to focus on prevention, wellness and disease management. Insurers would be able to offer discounts and incentives to people who participate in wellness programs. Our bill reforms the insurance market so insurers compete on price, benefits and quality, rather than signing up the healthiest Americans and bypassing the sickest who are most in need of care.

I know that it is going to take heavy lifting to pass meaningful and effective health care reform legislation in this Congress. And I know that it will be tough to convince some in Washington to set aside the entrenched partisan politics to tackle something this big. But now is the time for Congress to address the big problems with big solutions. The Healthy Americans Act is a big solution with bipartisan support.

After the demise of the Clinton plan in the early 1990s, both political parties spent years disagreeing on the issue of health care. In the last twenty years, including the heated debate during the early 1990s, most comprehensive health reform legislation was introduced strictly along party lines.

The fact is that both Republicans and Democrats have advocated on behalf of essential components to health care reform in past debates. Democrats are correct in saying that to fix health care you must cover every American. Under the current system, those without health insurance will continue to shift costs to those with insurance by flooding hospital emergency rooms for basic care. Republicans are correct in saying that market forces play an important role by promoting competition and innovation and we should not expand the federal government to control health care.

Adjusting the federal tax code is the only way we can change the broken health care system to one that produces the portability, flexibility and creativity needed to solve the problem. Those principles serve as the foundation of the Healthy Americans Act. With common sense provisions and principles that span the political divide, I believe the Healthy Americans Act can be the catalyst to finally end the paralysis on health reform and successfully achieve a rational system that guarantees quality and affordable health care to all Americans. This is the change for which I am working.

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1 Zwanziger, John, Anil Bamezai, Evidence of Cost Shifting in California Hospitals, Health Affairs 25, no. 1 (2006), 197-203.