

Chapter 2

PRINCIPLES OF REFORM

“Some things, like universal access, are not negotiable. And that’s exactly the way it should be.”

*Former Surgeon General
C. Everett Koop, M.D.
September 1993*

Six principles underlie the Health Security Act: security, simplicity, savings, quality, choice and responsibility.

SECURITY

Guaranteeing comprehensive benefits to all Americans.

- 1) The Health Security Act guarantees all Americans comprehensive health benefits, including preventive care and prescription drugs, and ensures they can never be taken away.
- 2) The Health Security Act outlaws insurance company practices that hurt consumers and small businesses. Insurers will not be able to deny anyone coverage or impose a “lifetime limit” on people who are seriously ill. And the plan outlaws charging older people more than younger people, and sick people more than well people.

- 3) The Health Security Act sets limits on what consumers pay for health coverage. It limits how much health care premiums can go up each year, and sets maximum amounts that families will spend out-of-pocket each year, regardless of how much or how often they receive medical care. The Health Security Act removes “lifetime limits” on coverage, ensuring that benefits will always continue, no matter how much care you need.
- 4) The Health Security Act will preserve and strengthen Medicare, adding new coverage for prescription drugs. A new long-term care initiative will expand coverage of home and community-based care.
- 5) Access to quality care will expand, so that people know that there will always be a doctor that they can get to and a hospital that will treat them. Particular attention will be paid to the needs of underserved rural and urban areas.

SIMPLICITY

Simplifying the system and cutting red tape.

- 1) The Health Security Act reduces paperwork by giving everyone a Health Security card and requiring all health plans to adopt a standard claim form to replace the hundreds that exist today.
- 2) The plan cuts insurance company red tape by creating a uniform, comprehensive benefits package, standardizing billing and coding, and eliminating fine print.

SAVINGS

Controlling health care costs.

- 1) The Health Security Act increases competition, forcing health plans to compete on price and quality, instead of on who does the best job of excluding sick people or old people. Health plans will have an incentive to provide high-quality care and control costs to attract more patients.

- 2) The plan strengthens buying clout by bringing together consumers and businesses in “health alliances” to get good prices on health coverage. Today big businesses use their clout to get low prices; alliances will allow consumers and small businesses to get a good deal, too.
- 3) The plan lowers administrative costs by cutting paperwork and simplifying the system.
- 4) The plan places limits on how much premiums can rise, acting as an emergency brake to ensure that health care costs don’t spiral out of control.
- 5) The Health Security Act criminalizes health-care fraud, including overbilling, and imposes stiff penalties on those who cheat the system.

QUALITY

Making the world’s best care better.

- 1) The Health Security Act arms doctors and hospitals with the best information, latest technology and feedback as it empowers consumers with information on quality — forcing health plans to compete on quality in order to attract patients.
- 2) The Health Security Act also invests in new research initiatives — into new ways to make prevention work, new treatments, and new cures for diseases.
- 3) The Health Security Act emphasizes preventive care — putting a new emphasis on keeping people healthy, not just treating them after they get sick. The comprehensive benefits package pays fully for a wide range of preventive services not covered by most insurance plans today. And it builds a stronger health care work force — training more primary care doctors, nurses and other health professionals to provide care into the next century.

CHOICE

Preserving and increasing the options you have today.

- 1) The Health Security Act ensures that you can follow your doctor and his or her team into any plan they choose to join.
- 2) All Americans will be able to choose from at least three and likely many more kinds of health plans offered — no matter where they work. The choice of plan will be yours — not your employer's. And every American will be able to switch plans every year if they're not satisfied with their care or service.
- 3) The Health Security Act makes it possible for more elderly and disabled Americans to continue to live in their homes and communities while receiving long-term care.

RESPONSIBILITY

Making everyone responsible for health care.

- 1) Without setting prices, the Health Security Act asks drug companies to take responsibility for keeping prices down.
- 2) To discourage frivolous medical malpractice lawsuits the plan requires patients and doctors to try and settle disputes before they end up in court, and it limits lawyers' fees.
- 3) Everybody — employers and employees alike — will be asked to pay something for health care coverage, even if the contribution is small. Low-wage small businesses and workers will get substantial discounts, but everyone must take responsibility.