



The Republican Plan: 15 Common Sense Health Care Reforms

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1. No reform is acceptable that doesn't put patients in charge. Patients must be at the center of every decision. Period.
2. What we call "health insurance" is actually overpriced, prepaid medical care. It's like having homeowners insurance that pays for cutting the grass. Using the tax incentives that already exist, Americans should be encouraged to purchase Major Medical Insurance to protect against high cost illnesses and injuries. The enormous amount saved could then fund personal Health Savings Accounts.
3. Personal Health Savings Accounts put patients in control. Funded with pre-tax dollars, these interest bearing accounts would provide the money needed to pay deductibles and out-of-pocket expenses. Unspent savings would accumulate from year to year and could help provide protection for a lifetime.
4. Reform the tax code to create a level playing field by extending the tax benefits of employer sponsored health insurance to every American. Individuals who buy their own insurance deserve the same tax break as everyone else.
5. Reform private health insurance with 5 common sense changes to make health insurance products less expensive, easier to buy and more responsive to consumer needs:
 - **Affordability:** Eliminate the 1,900+ insurance mandates at the State and Federal level so that insurance companies can sell the kinds of policies that people want to buy. Don't force people to buy policies with benefit and provider mandates they don't need and that drive up insurance costs by as much as 50%.
 - **Portability:** Your health insurance policy should belong to you, not your employer. Making insurance portable also eliminates the "job-lock" that keeps workers from seeking better jobs with better pay.
 - **Availability:** Allow health insurance companies to operate across state lines. Companies that operate regionally can create larger pools and will have correspondingly lower costs across the board.
 - **Accountability:** Develop pricing models that reward people for healthy behaviors. Consumers who avoid risky lifestyles, or who are willing to change them, should get a break on health insurance.
 - **Insurability:** Encourage the widespread adoption of "Health Status Insurance". In the event of the risk reclassification that could result from a change in health status, this revolutionary insurance product would pay a benefit sufficient to continue purchasing health insurance to cover future medical care.
6. Require all health care providers – doctors, hospitals, laboratories, etc. – to post the price of every service and procedure using clear language. Cosmetic surgery is a great example of how price competition can drive down costs. Because cosmetic surgery is almost always paid out-of-pocket, patients are quoted prices upfront and often get prices from several providers. As a result, the inflation adjusted price for a common schedule of procedures actually decreased 12% between 1993 and 2005 despite a six-fold increase in demand.
7. Make routine primary care more available and less expensive. Staff walk-in clinics with Nurse Practitioners and Physician Assistants. These licensed professionals are trained to diagnose and treat common illnesses like ear infections, strep throat and influenza. Incentivize doctor's to consult with patients over the phone, via e-mail and in real time using web based technologies.
8. Create financial incentives for hospitals and physicians to provide integrated patient care; a treatment approach where providers coordinate all aspects of patient care. Duke University Medical Center used this strategy for patients with congestive heart failure and cut costs by 40% in one year. Unfortunately, Duke was compensated using standard reimbursement formulas that paid only for the specific medical services that were actually provided, not for any of the savings it produced by making other medical services unnecessary.
9. Eliminate state permitting requirements that prevent the construction of new health care facilities. 35 states require these special permits, called "Certificates of Need", artificially restricting supply and impeding innovation. The damage is immense. The 15 states without these requirements have 83% of all specialty hospitals, the very hospitals we need to provide the "integrated patient care" that will cut costs.

10. Increase medical school enrollment for primary care physicians of all kinds. Until Florida State University opened its medical school in 2001, no new medical school had come on line in the U.S. in twenty years. The Association of American Medical Colleges says we need to increase medical school enrollment 30% by 2015.
11. Medicare and Medicaid fraud cost at least \$100 billion a year, yet government does little to curtail this abuse. We should create specially trained and licensed fraud bounty hunters to ferret out this kind of criminal activity; rewards should be paid to anyone providing information leading to a conviction. These awards should be substantial and heavily advertised so that everyone knows about them. Penalties for fraud should be significantly increased. 10 year minimum jail terms would not be inappropriate.
12. Overhaul Medicaid to improve program quality and reduce costs. Federal funding should be distributed to the states in the form of block grants so that each state can implement the reforms best suited to its needs. Reforms should include providing Medicaid recipients with vouchers to purchase Major Medical Insurance coverage on their own. For routine doctor's office visits, lab tests and prescription drugs, Medicaid recipients should be issued debit cards with fixed monthly amounts for use at specially licensed facilities. Additional credits could be added for those who can demonstrate the need. Require Medicaid recipients to attend special training classes each month on disease prevention, behavior modification and fraud detection. Start reforming Medicaid the same way welfare was reformed in the 1990s so that healthy Medicaid recipients are either moved into the workforce or begin performing useful community service to earn their benefits. Medicaid recipients who begin working and start earning larger incomes should continue to receive benefits on a sliding scale calculated to incentivize employment.
13. Extend Major Medical Insurance coverage to the medically indigent; those who earn too much to qualify for Medicaid but are unable to afford private health insurance on their own. We recommend the use of vouchers to cover the difference between what an individual can afford to pay and the actual cost of insurance coverage. These recipients must be able to demonstrate they are budgeting responsibly to cover the cost of routine primary care and not spending discretionary income on non-essential purchases.
14. Expand Community Health Care Centers to provide a wider array of primary health care services and to serve more of the medically indigent. These federally aided centers currently operate from over 5,000 sites and provide primary health care services to 17 million low income Americans, including about 6 million of the uninsured, based on their ability to pay. We should use special incentives to encourage all public and non-profit hospitals to sponsor at least one full service Community Health Care Center within their service area. This would also help relieve stress on emergency rooms.
15. Reform tort liability laws to discourage frivolous lawsuits. For those wishing to pursue claims without incurring large legal bills, create a structured system of mediation and binding arbitration. Otherwise, losers should be required to pay the legal costs for both sides. Cap damage awards for pain and suffering, but not actual damages such as medical costs and lost income. Create special courts for medical malpractice cases using judges trained in this area of the law. Make other common sense reforms so that defendants with only limited responsibility cannot be sued for the entire amount of a claim.