

# HEALTH CARE AMERICA



August 18, 2006

701 13<sup>th</sup> Street, NW  
Suite 800  
Washington, D.C. 20005

Patricia A. Maryland, Ph.D.  
Chair  
Citizens' Health Care Working Group  
7201 Wisconsin Avenue  
Suite 575  
Bethesda, Maryland 20814

Dear Dr. Maryland,

On behalf of Health Care America, please accept the following comments on the Interim Recommendations of the Citizens' Health Care Working Group.

As an organization dedicated to ensuring affordable, high quality health care for all Americans, Health Care America applauds the intent of the Citizens' Health Care Working Group: to talk with citizens around the country about how to create a better health care system. We believe ensuring all Americans have control over their health care options is the key to addressing issues of access and quality – and thus greeted the Working Group's goal of bringing the public into the center of the process with enthusiasm.

However, we are greatly concerned that neither the process itself, nor the recommendations that follow from it, adequately capture the American public's views of how we, as a nation, should improve the access and quality of health care in this country. While there are components of this report that provide meaningful recommendations for where we can make improvement to our current system, such as increasing Health Information Technology (HIT), emphasizing the importance of preventive care, and enhancing integration of care, Health Care America has great concerns with what the report in its entirety is recommending, and the multitude of very important questions it has failed to ask – let alone attempt to answer.

We believe the results of this process, the interim recommendations, as well as the process itself are fraught with serious flaws that preclude the report from providing any meaningful guidance as our nation looks to improve the health care system. Specifically, we suggest this interim report fails on four fronts, which we outline below. We follow our more general criticisms with our detailed comments related to specific recommendations.

### **Our General Comments on the Report**

#### **1 - The interim report does not answer the question of how to accomplish its goals, thus failing the practicality test.**

While the goal of ensuring all Americans have affordable health care is laudable – and something Health Care America and the vast majority of Americans support – the Working Group’s report does Americans a disservice by offering only vague statements about how such a system would be implemented, and not investigating in much detail the approaches most Americans would favor. Without such information, the report does little to move the debate forward.

#### **2- The interim report implicitly calls for an expanded role for the federal government to control, manage, and own our health care system – and for increases in taxpayer funding of health care – despite the fact it is not clear the public this report claims to represent is comfortable with such an approach.**

Time and time again, research has shown Americans do not support a government run health care system when it requires substantial increases in taxpayer funding and limitations on the type and quantity of services available to citizens. The financing necessary for accomplishing the Working Group’s goals raises concern, because it would require new laws and new taxpayer funding.

While the interim report states there are “large majorities of people willing to make additional financial investments...” in order to achieve its coverage goals, it provides little evidence to support this statement. Further, it appears that through meetings with the public, it did not ask the questions it would need to ask in order to truly determine the public’s level of commitment to a national health care system in light of sacrifices required of people living in countries with such systems.

#### **3- The interim report does not adequately address questions surrounding the types of trade-offs members of the public would be willing to make in order to bring health care to more Americans.**

As we alluded to above, in assessing the public’s willingness to pay more, it is critical to assess the public’s willingness to engage in trade-offs for additional federal financial commitments. For example, is the public willing to limit its access to prescription medicines in exchange for lower prices, as is the case with the Veterans Administration? Or is it willing to experience increased waiting times for both routine and emergency

treatments, as experienced in Canada and Europe? Unfortunately, such an assessment is not included in this report. We also assume an exercise to determine what types of trade-offs forum participants were willing to make in exchange for additional taxpayer contributions was not included. The absence of such an exercise and assessment undermines the credibility and utility of the interim report.

#### **4- The interim report fails to represent the views of the public it is purporting to represent.**

To develop the Values and Principles statements, as well as the interim recommendations, the Working Group relied heavily upon data from meetings with members of the public in many different cities across the country. While the Working Group may have made an attempt to include a representative cross-section of the public, demographic data from the meetings suggests the groups of people present at the meetings are not your “average” Americans, since they differ on important characteristics, such as gender, age, and educational background, among other things.

Notably, those present at the meetings were much more likely to be female (almost two-thirds were females), to be older adults ages 45-64 (50% were in this age group), and much more likely to have a college degree or a graduate degree (two-thirds of those in attendance had a college degree or more – compared with less than one-quarter among the general public as a whole; more than 40% had a graduate degree or more). This means the views of males, younger adults, and people with high school degrees or some college were underrepresented at these meetings.

There are other characteristics that meeting participants appear not to have been asked about that could have a great influence of their responses and views – most notably, questions relating to level of income, political ideology, and party affiliation. It is quite possible that those involved in the meetings may have different views of the role of government in provision of health care and the willingness to pay for tax increases related to health care programs than does the average American. Some of this may result from the differences in levels of educational attainment and – therefore income and wealth – that members of these groups hold relative to middle class Americans. By failing to include a more representative group of Americans in the debate, the Working Group has failed to capture the views of the most important demographic – the middle class.

#### **Our Comments on Specific Recommendations**

Below, we address each of the recommendations of the Working Group. Because recommendations 5 and 6 are most important in terms of their substance, we begin with a discussion of those and then consider the others in numerical order.

**Recommendation 5: It should be public policy that all Americans have access to affordable health care.**

HCA believes every American should have access to quality, affordable health care. HCA is concerned, however, with the approach (or lack thereof) that the Working Group offers related to this recommendation.

In order to promote access to health care, Health Care America believes the best ways to achieve this goal are to empower consumers to have greater control over their health care decisions. Right now, government bureaucracy and a run-away litigation environment impair better access to health care. Too many burdensome government regulations and mandates, distorted tax incentives and frivolous lawsuits increase the cost of our health care, force reputable health care professionals to raise their prices and limit access to affordable health insurance. Because of these problems, millions of Americans are deprived access to the high-quality, innovative, timely and affordable health care they deserve.

The Working Group recommendations fail to recognize that without addressing these concerns, health care costs will continue to be a concern, and this will limit Americans access to care.

Moreover, Health Care America believes that the implication of the use of the phrase “public policy” in this recommendation implies support for a greater role for government control of health care in the U.S. – a recommendation that, in spite of the findings of the report, is not clearly something that most Americans favor. Past polls have shown that Americans are not comfortable with a national health care system if it means that they will have to face problems such as increased waiting times or rationing.<sup>1</sup> Although findings from the conversations with and surveys of Americans from the various meetings across the country suggest while that some were comfortable with greater control of health care by the government, it is not clear that the right questions were posed to consumers to truly evaluate their interest in the trade-offs that are inescapable realities of a nationalized health care system.

While some people think that because everyone has health coverage in government-run health systems, everyone has access to care, the fact is that health coverage does not equal access to care. Many people can't access the health care they need because of the problems inherent in government-run systems, such as long waiting times and constraints on the types of treatments that are available (also known as care rationing). For instance, in most countries with government-run health care, the preferred treatment for prostate cancer is to do nothing. As a result of such care rationing, 57 percent of British men, and nearly half of French and German men will die compared to less than one out of five American men.<sup>2</sup> Waiting times for services, physician shortages and a lack of availability of the newest innovations in treatment, plague the Canadian health care system and leave Canadians crossing the U.S. border for treatment.<sup>3</sup>

---

<sup>1</sup> Langer G. Health care pains growing. Based on ABC News/Washington Post Poll. Oct. 20, 2003.

<sup>2</sup> Tanner M. In praise of U.S. health care. The Washington Times. October 1, 2005.

<sup>3</sup> Doctors to Canada's Premiers: Future of Health Care Relies on Unity; New Provincial Poll Shows Declining Confidence in Health Care. Canada Newswire. Jul. 28, 2004. <sup>3</sup> The Fraser Institute. Waiting Your Turn: Hospital Waiting Lists In Canada. Oct. 2005. Simunovic M, et al. A Snapshot of Waiting

As we look to improve the U.S. health care system, we must continually empower patients, not limit their choices. It is not by accident that here in America, we can choose from a much wider selection of the newest medicines, medical devices, diagnostic tools and health technology, and health care professionals, than patients in other nations. This choice is a by-product of a system that rewards innovation and thrives on competition.

To preserve choice in our health care, it is important that we stand up for public policies that deliver the best and most health care options.

**Recommendation 6: Define a ‘core’ benefit package for all Americans.**

The Working Group’s call for a “core” set of health benefits where an “independent, non-partisan public-private” group selects benefits packages violates the public’s preference – as stated in the findings of the report – that it be members of the public in control of their health benefits. The fact is – and the report admits this –members of the public are uncomfortable with a set benefits package because each person is different and should be able to choose health services based on the value that he or she places on them. Indeed, what some may view as excessive services, others will view as absolutely necessary. Yet, in spite of these findings the report advocates a ‘core’ package that would apply to all Americans.

Additionally, the report fails to identify to whom this group would be accountable. Accountability is central to our political system, and the interim report left this important question unanswered.

Further – and perhaps most importantly - the report disconnects the independent body from Congress – the entity responsible for passing any new laws and spending called for in the report. Yet it recommends the independent group establish required core benefits, and thereby put a price tag on them, which would force Congress to fund them. However, this could raise Constitutional questions, as only Congress has the ability to raise new funding streams.

Simply put, the unending health benefits and limitless funds suggested in this interim report sound great, however it fails the practicality test. Health Care America believes market competition between health plans offers the best way for consumers to enjoy the variety of health plans and packages available to meet the needs of individuals.

**Recommendation 1: Guarantee financial protection against very high health care costs.**

Protection from catastrophic health care costs is essential to health care reform. However, Health Care America believes that while it may be appropriate to direct additional resources to the system, the first step needs to be a commitment to improving

the functioning of the system through common sense reforms focusing on reducing unnecessary spending for Americans.

In order to limit long-term health costs and capitalize on the value of health spending, several tangible steps could be taken now, including:

- Directing non-emergency care to more appropriate locations than over-utilized emergency rooms;
- Reducing the billions spent annually in defensive medicine by passing medical liability reform;
- Reducing medical mistakes based on inappropriate prescribing and simple errors based on the use of paper that could be prevented with electronic record keeping; and
- Incentivizing health care professionals by paying more for quality of care that is based on industry best practices.

Additionally, as a nation we should look to invest more resources in health services that deliver the most value for their cost. Making sure that Americans have adequate preventive care, for instance, is particularly important. Preventive health care has the potential to protect consumers, and the system, from high future health costs as a result of undiagnosed conditions, such as heart disease, which result in costly expenses such as hospitalization for heart attacks, further down the road. If we are promoting high-deductible health plans, we should be sure that a solid preventive care benefit is offered through these plans.

These are just some examples of the kinds and places we should be looking for reform, not the creation of an entirely new system and new laws.

### **Recommendation 2: Support integrated community health networks.**

Currently, the government funds thousands of Community Health Centers, which provide care to more than 16 million Americans annually. It is unclear from the recommendations in the interim report how what is being recommended is different from the current network of health centers. Is it suggesting community health clinics be replaced, expanded (if so, how is it different), or something altogether different?

If taxpayers are to give more of their earnings to the federal government, it is imperative for the government to justify the additional spending. If the report is recommending simple duplication (and again, the report is unclear), the public has a right to say no.

### **Recommendation 3: Promote efforts to improve quality of care and efficiency.**

Once again, the task force does not provide enough detail to determine how this recommendation is different from what the federal government is already doing through various programs. For instance, the Centers for Medicare and Medicaid Services have three quality improvement programs underway in the

areas of home health care, nursing homes and hospitals. Using the idea of public sunshine, each category the program publicizes 10 or more consumer friendly variables that can be used to compare facilities. They are also engaging in several pay-for-performance initiatives, testing the feasibility of paying more to the doctors and hospitals that provide higher quality care and less to those who do not.

All of these initiatives involve a partnership with the private sector. Health Care America believes the federal government cannot accomplish many goals with great efficiency, nor should it be imposing over-burdensome regulations on providers. Improved quality and efficiency can best be accomplished when the private sector plays a leading role, because a system based upon consumer choice and competition automatically produces higher quality and lower costs.

**Recommendation 4: Fundamentally restructure the way that palliative care, hospice care, and other end-of-life services are financed and provided, so that people living with advanced incurable conditions have increased access to these services in the environment they choose.**

To date, this area of care has received little public attention. Given the growth in the aging population and the nearing of baby boomers to the age of Medicare eligibility, it is important that we focus more attention here. Until now, our attitude has generally been to perform every available treatment to patients at the end stage of life. Health Care America believes we should have a dialogue about how we care for people at the end of life. Any policy to this end must not be decided by government fiat.

## **Conclusion**

Health Care America is concerned with improving health care in the U.S. and making sure all Americans have access to quality, affordable care – and thus we are gratified by the general intent with which this report was advanced. However, we are concerned that this report offers little real value to the debate, given the numerous failures outlined above. We believe that it is only through a process that places members of the public at the core of decision-making, and through reforms that foster competition, innovation and consumer choice, will we ensure that every American has access to affordable, quality health care in a manner that is acceptable to the majority of Americans.

Thank you for this opportunity to share our perspective with you. Should you have any questions or a need for additional information, please do not hesitate to contact me.

Sincerely,



Sarah Berk  
Executive Director