

Clinton Speech Marks Start of Health Care Debate

PREPARED BY THE INTERNATIONAL CHIROPRACTORS ASSOCIATION

Editorial Staff

When it comes to health care reform, everyone has a cure for what ails the country's current system.

More than 100 pieces of health care reform legislation have been introduced in the House and Senate this session. Some address specific issues, such as long-term care or insurance for the self-employed or unemployed; others propose broad changes in the basic structure of the health care system.

Three approaches will be at the center of the debate:

- The "managed competition" approach favored by President Clinton, conservative Democrats and some moderate Republicans, which groups individuals into large health insurance purchasing groups. President Clinton will detail the specifics of his plan tonight in a televised speech before Congress.
- A single-payer approach, backed by liberal Democrats, under which the federal government would collect insurance premiums and pay providers. Rep. Jim McDermott (D-Wash) is the main advocate of such a plan. His bill (HR 1200) has nearly 100 co-sponsors.
- A free-market approach, supported by many Republicans, that would leave the basic system intact while manipulating it with tax incentives and other minor reforms. The leading House measure (HR 3080) and Senate plan (not yet introduced) differ slightly.

The following chart compares some of the chief goals of the leading health care packages circulating on Capitol Hill:

Chief Goals

Universal Coverage

Clinton Plan

Employers would be required to pay 80 percent of their employees' insurance premiums. Premiums for self-employed individuals would be 100 percent tax deductible. (The current deduction for self-employed individuals is 25 percent).

The government would subsidize insurance for low-income workers and the unemployed. All U.S. citizens and legal aliens would be covered by 1997. The Medicare and Medicaid systems would continue to be administered separately, and veterans and Indians would be eligible for benefits

under existing programs.

States would have the authority to establish single-payer systems.

Republican Plans

Employers would be required to provide, but not pay for, their employees' health insurance. Self-employed individuals and those who have to buy their own insurance would be able to deduct 100 percent of the premiums.

Under the House GOP plan, states could use certain Medicaid funds to provide health plans for and provide subsidies to the poorest Americans, and they would be encouraged to establish group insurance plans for low-income workers and retirees.

The House GOP plan does not purport to achieve universal coverage; the Senate GOP plan sets it as a goal for the year 2000.

McDermott Plan

Upon enactment, the federal government would provide health insurance for all Americans, with benefits distributed at the state level. HR 1200 would virtually eliminate the need for private insurance companies; the government would collect premiums through payroll tax deductions. State and employers could provide extra benefits at their own cost.

Most current federal health care programs, including Medicare and Medicaid, would be folded into the single-payer plan. Veterans and Indians would have access to health care benefits through existing programs.

Cost Containment

Clinton Plan

Insurance premiums would be capped, and national health spending would be limited by the federal government. Spending through Medicare, Medicaid and other federal benefits programs would be capped. Doctors would use a single billing form. The plan also advocates limited malpractice and antitrust reform to help control costs.

Republican Plans

Both GOP plans would seek to control costs by, among other things:

- allowing small businesses to join together to buy insurance.
- capping damages for pain and suffering and limiting lawyers' contingency fees in malpractice suits.
- crafting a standard billing form to reduce paperwork.
- loosening antitrust restrictions.

McDermott Plan

State governments would negotiate annually with doctors and medical facilities to determine payment caps for all medical services. (All appendectomies in Montana would cost \$1,000 in any given year, for example.)

Financing

Clinton Plan

In addition to caps on Medicare and Medicaid spending, the money may come from increased taxes on cigarettes and alcohol, as well as on some large corporations. Companies that employ Medicare and Medicaid recipients would have to assume some of their coverage costs.

Republican Plans

The Senate plan would limit Medicare and Medicaid growth to seven percent a year, the House plan would pay for itself by raising the minimum federal retirement age from 55 to 62 and phasing out Medicare subsidies for the wealthiest recipients.

McDermott Plan

The federal government would pay 85 percent of health care costs by increasing hospital, payroll and individual income taxes. States would be responsible for raising the other 15 percent.

Security of Coverage

Clinton Plan

Insurance would be permanent and portable. No one would lose insurance after a job change or loss and no one would be denied treatment because of pre-existing conditions.

Republican Plans

All health insurance policies would be permanent and guaranteed renewable. Also, people who leave a job would be guaranteed coverage under that employer's plan at virtually the same price until they became eligible for coverage under another plan.

McDermott Plan

Patients would no longer have to get advance approval for medical procedures from insurance companies, and no one would be denied treatment because of pre-existing conditions.

Choice of Providers

Clinton Plan

Individuals would be grouped into some 200 regional health alliances, with the freedom to choose from at least several health care plans offered by each alliance. Some managed care plans would require consumers to use only those health care providers who participate in the plan.

Republican Plans

Individuals would have the same freedom to choose doctors or hospitals that they have under the current system, with restrictions set only by their specific health plans.

McDermott Plan

Using their health card, patients would be allowed to seek services from any doctor or medical facility approved by the government.

OCTOBER 1993