

## The Bush Healthcare Reform Plan

Here's how the administration intends to tackle a flawed system.

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## The Bush Healthcare Reform Plan

Now that the election is well behind us, it wouldn't be a bad idea to take a closer look at President Bush's plan for healthcare reform. After all, when polled, and polled, and polled, and polled, the American people listed their concerns for issues involving healthcare either as 4th or 8th or 6th or 5th, somewhere between Iraq and a hard place. The issue? Cost and coverage.

Who is responsible for healthcare costs keeping pace with the price of oil? At least, if it is costly, the quality must be high, right? Well, not quite, according to The Economist (October 9, 2004). In an article entitled, "Headaches for All," the authors noted that "Americans are constantly told that their healthcare is the best in the world. In terms of research, technology and advances in surgery, the boast is undoubtedly true. In other ways, it is hard to justify. At any one time, more than 43 million Americans under the age of 65 have no health insurance...The infant mortality rate for black Americans runs at 14 per 1,000 live births, double the rate for white Americans and over four times the rate in Japan. Indeed, in a 2000 study of the effectiveness of healthcare systems around the world, the World Health Organization ranked America only 37th [France was number 1]. ...This is a poor reward for spending more on health than any other country. Healthcare accounts for almost 15% of America's gross domestic product, compared with less than 8% for Japan and Britain."

So, what is the answer?

"We must reform healthcare in America. We must build a modern, innovative health care system that gives patients more options and fewer orders, and strengthens the doctor-patient relationship." President George W. Bush

## The Bush Healthcare Reform Plan (Bush Plan)

\* Establish new, tax-free "Health Savings Accounts (HSA)." President Bush proposes to give a tax credit for low-income families and individuals to purchase health insurance, or to purchase a low-premium, high-deductible health plan and establish a Health Saving Account. Moneys placed in an HSA would be tax-deductible. The projected result is hoped to be a net cost reduction for purchasing low-premium, high-deductible health plans. Families would be given up to \$2,000 to help pay their healthcare premiums and receive \$1,000 cash to put in their HSA's. Individuals will receive up to \$700 for their premiums and \$300 for their HSA's. With this incentive, the Administration is counting on the use of HSA's to help meet healthcare financial needs while putting in the hands of the American people the ability to make "wise, cost-effective" healthcare choices..

Under the Bush Plan, individuals and families who work for small businesses will receive a tax credit to help fund their Health Savings Accounts.

Small businesses and their employees who set up an HSA will get a tax rebate for contributions to the HSA of up to \$500 per worker with family coverage; \$200 per worker with individual coverage.

Because small businesses do not have the same purchasing power to get "best" prices for health insurance, the Bush Plan proposes to allow small businesses to band together and negotiate "best prices" on behalf of their employees and their families. Additionally, for those individuals who are left to purchase health insurance on their own, the Bush Plan supports expanding the ability of individuals to purchase healthcare coverage from a group other than their employer. If passed, individuals would be able to buy health insurance from civic and charitable groups, churches, and other types of organizations who may offer health insurance to their members. Also included would be the ability to shop across state lines for the best rates for their health insurance coverage.

- \* Open or expand existing community and rural health centers, ensuring that each of America's poorest communities has a health center. These centers would additionally serve 6.1 million people who live in those underserved and rural areas, providing primary and preventive healthcare services to low-income individuals, migrant farm workers, homeless individuals, and children, regardless of their ability to pay.

- \* Grant waivers and flexibility to states to extend eligibility under Medicaid and the State Children's Health Insurance Program (SCHIP) to an estimated 2.6 million low-income Americans. The President is planning on launching a nationwide, billion dollar "Cover the Kids" campaign to sign up more children for quality health care coverage. The "Cover the Kids" campaign will combine the resources of the federal government, states, and community organizations, including faith-based organizations, with the goal of covering all SCHIP-eligible children within the next two years. The Bush Plan also proposes to save \$24 billion over the next ten years by reducing states' Medicaid, cost-shifting to the federal government.

- \* Implement a new rule to lower drug costs to millions of Americans by strengthening competition between generic and brand-name drugs (estimated savings of more than \$35 billion in drug costs over the next ten years).

- \* The Bush Plan will seek billions in additional funding from Congress to improve outpatient veterans' healthcare services to provide efficient access to quality healthcare.

- \* The Bush Plan proposes a tax exemption for home caregivers of family members in order to reward individuals who have taken on the financial responsibility of caring for ill family members at home. Additionally, the Bush Plan proposes a new "above-the-line" tax deduction for individuals purchasing long-term care insurance premiums.

- \* In keeping with previously funded abstinence-only education, the Bush Plan involves developing model abstinence-only education curricula, reviewing federal programs to ensure that the federal government is sending consistent health messages to teens, and initiate a public education campaign to help parents communicate with their children about the risks of early sexual activity.

- \* The Bush Plan provides for \$25 million for student drug testing programs.

- \* In order to reduce healthcare costs and improve quality, the Bush Plan proposes an initiative to make electronic health records universally available within the next decade. It is assumed that health information technology will help eliminate medical errors, thereby leading to increased quality and safety for patients.

- \* Recognizing that skyrocketing medical liability premiums are driving up the cost of healthcare, the Bush Plan proposes liability reforms that will speed recovery of damages to patients, fairly compensate those who have been injured, and increase access to care.

[These points were taken from the George W. Bush Home Page]

And what are people saying about the Bush Healthcare Reform Plan?

According to the U.S. Treasury Department, the use of Health Savings Accounts would extend insurance coverage to possibly 1 million uninsured Americans. Tax credits would make insurance affordable to another 4.5 million Americans who have no insurance coverage through their employer (or through the federal/state programs). The proposal to allow small businesses to band together to provide coverage for employees would likely insure about 600,000 Americans. Paul Ginsburg, present of the Center for Studying Health System Change, a non-partisan Washington-based think tank, notes that the Bush Plan replaces "the employer-based system with one in which individuals buy their own insurance and have greater financial responsibility for their care."

My personal wish list embodying what I would like to see in terms of healthcare and healthcare system reforms differs somewhat, and includes:

- o Re-examining the promise of managed care, and initiating a complete overhaul of the system;
- o Eliminating caps on what physicians can charge their managed care patients (i.e., allow the managed care companies to reimburse based on their fee schedule maximums, but allow physicians the option to charge patients the differences between the schedule maximum and their actual fees;
- o Draft legislation requiring insureds to meet their deductible and co-payment obligations (i.e., no physician write-offs, waivers, etc.) unless a low-income threshold has been met;
- o Reducing the regulatory burdens on physician/group practices employing less than 50 physicians;
- o Reviewing HIPAA privacy rules, eliminating those demands that fail to add meaningful "privacy" protections to protected health information;
- o Requiring payers to issue universal-type smart insurance cards to their insureds; those cards would be "approved" to be scanned at the front office of a physician (or emergency room or by a paramedic) and information such as a photo ID of the insured, plan type, benefits, pre-auth requirements, deductible balance and co-payment requirements, as well as "click" dialing directly to the plan for FAQ review, searches, and queries be available instantaneously; I want the card to be programmable to pull up from the office's practice management and electronic patient record software the patient's demographic and medical records as the card is scanned in;
- o Requiring all payers to agree to a uniform set of coding, billing and processing/review guidelines, and make those guidelines public for easy access by physicians
- o Government and insurer-joint funded evidence-based "best practice" guidelines to eliminate reimbursement of those services, procedures, and dispensed medical items that are not shown to minimally meet treatment effectiveness standards;
- o Putting CPT into the public domain so we don't have to click on "accept" every time we want to see a Medicare local coverage determination;
- o Eliminating 1/3 of the codes in CPT by consolidating "like" codes (e.g., injections) that are valued the same anyway;
- o Putting out to the powers-that-be at Noridian that billing neuroma steroid and tarsal tunnel injections under an unlisted musculoskeletal makes sense only in Bizarro World; also, Noridian, no one injects steroid directly into the nerve - on purpose;
- o Having language translators and signers bill the federal government directly and get paid for their services rather than impose demands that healthcare providers fund these demanded and uncompensated services;
- o Bringing back the Medicare Prescription Drug, Improvement and Modernization Act (MMA) of 2003 (aka the Medicare Reform Bill) just to see if any Congressperson or Senator still thinks it is worth \$134 billion more than they thought it was going to cost...

o Bringing back the Medicare Prescription Drug, Improvement and Modernization Act (MMA) of 2003 (aka the Medicare Reform Bill), and truly overhauling it.

Coding & Reimbursement Q & A

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