

HEALTHCARE REFORM 2009

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GUIDING PRINCIPLES AND RECOMMENDATIONS FOR HEALTHCARE REFORM 2009

Community Health Councils (CHC) believes that access to quality, affordable healthcare coverage will improve the lives of all individuals in the United States. With the release of the Affordable Health Care for America Act (H.R. 3962) and the debate over the Senate's Patient Protection and Affordable Care Act, we are one step closer to comprehensive healthcare reform.

These *Guiding Principles and Recommendations* provide specific recommendations for key aspects of health reform that must be included in the final legislation to achieve affordable, comprehensive and quality healthcare. The recommendations encompass public healthcare coverage, coverage option gateways, benefits, cost containment, workforce diversity, individual mandates, employer mandates, insurance market reform, quality care, disease prevention, and healthier communities.

The goal of healthcare reform must be to improve health and increase access to quality healthcare for uninsured, under-resourced and underserved populations. With these *Guiding Principles and Recommendations*, Community Health Councils hopes to help shape and ensure healthcare reform that is fair, equitable and comprehensive.

Public Healthcare Coverage

While public healthcare coverage currently offers a safety net for millions of children and families, substantially reducing the number of emergency room visits and preventable illnesses, over 46 million Americans still lacked health coverage in 2008. Healthcare coverage options must be affordable so that all individuals, especially those in lower-income and underserved communities, can access and benefit from healthcare coverage.

We support healthcare reform that:

- Expands Medicaid up to 150% FPL, providing the vehicle to reach more low-income uninsured with affordable coverage.
- Ensures that current and future enrollees receive cost-sharing and benefit protections under Medicaid and improves access to care by augmenting provider rates to increase provider participation.
- Guarantees the confidentiality and privacy protections for new applicants and current beneficiaries that exist under current systems.
- Coordinates and simplifies healthcare systems, based on state and local best practices and innovations, by easing enrollment, utilization and retention procedures and by creating a seamless transition between public and private programs.
- Provides adequate Medicaid financing by having the federal government assume the majority of the costs for expansion and includes language that automatically adjusts the federal Medicaid assistance percentage (FMAP) for states during downturns in the economy.
- Includes an extensive outreach and enrollment program to educate individuals of all changes to existing coverage options.
- Supports Maintenance-of-Effort on existing Medicaid and CHIP coverage that would require states to maintain eligibility standards, methodologies, and procedures currently in effect.

“Gateway” to Coverage Options

Information is critical for families to make informed healthcare choices about plans, providers and benefit packets. A gateway system allows families to compare and understand all available affordable options. In order for a “gateway” or “exchange” to be effective, it must be administered at the state level to facilitate the purchase of insurance by individuals and businesses.

We support healthcare reform that:

- Mandates every state develop an exchange or gateway that acts as a single point of entry for families and businesses to purchase and enroll in various coverage options; states must have the option to administer the exchange at the state and/or regional level.
- Reflects processes, procedures and information exchanges that are culturally and linguistically competent to improve healthcare access.
- Contracts and establishes partnerships with trusted and respected community-based organizations in the community who have experience and expertise in outreaching to and enrolling diverse populations.
- Uses web-based applications, enrollment and informational call centers and a standardized format for presenting coverage options that make the system more streamlined and user-friendly.

Benefits

In order for healthcare coverage to be truly effective, it should protect individuals and families against financial hardship to ensure they maintain their overall health. Healthcare coverage should be guaranteed with benefits that are standard and comprehensive.

We support healthcare reform that includes:

- Standardized and comprehensive benefits including preventative services and treatment needed by those with serious and chronic diseases and conditions.
- Low out-of-pocket costs on medical care.
- Choice of doctors and hospitals.
- Requiring that insurance companies cover pre-existing conditions so everyone regardless of health status or history can get comprehensive benefits at fair and stable premiums.
- An advisory council to make recommendations on essential healthcare benefits and incorporates affordability standards.

Cost Containment

Healthcare reform must deal with the rising cost of healthcare through cost containment without sacrificing the quality of care and services. Efforts to control healthcare costs must address issues of efficiency, unnecessary care, and improvement of care through patient-centered coordination and investing in stronger prevention and wellness measures. Healthcare costs will continue to rise with inflation, but through these measures, we will minimize the funds needed to provide coverage for all.

We support healthcare reform that:

- Streamlines administrative barriers by reducing the paperwork that adds expense and hinders efficiencies for patients and providers.
- Simplifies health insurance administration by standardizing forms and rules for processing healthcare transactions and usage of electronic data.
- Expands the utilization of Health Information Technology (HIT) to improve the monitoring and exchange of patient records and care.
- Reduces waste, fraud, and abuse in public programs.
- Improves and supports proven prevention and wellness programs.
- Reforms a system that currently rewards providers and hospitals for tests, procedures, and exams rather than for overall outcomes.

Workforce Diversity

Under a newly-reformed system, providing health coverage and access to care for a greater number of individuals will require a supply of primary care providers to meet the new demand. A shortage of professional primary care providers nationwide and a disparity in underserved and under-resourced communities clearly exists. A recent study from the California Healthcare Foundation assessing physician supply in California found the number of primary care physicians actively practicing is at or below estimated needs. Furthermore, only 16 of California's 58 counties had sufficient primary care physicians, and eight counties had less than half of what is necessary.¹

We support healthcare reform that:

- Increases the primary care workforce to include physician assistants and dental assistants to meet the needs and growing demand for services.
- Expands general and pediatric dentistry, dental hygienist and health programs.
- Provides incentives for physicians and health professionals to practice in areas facing a shortage of personnel and/or resources.
- Expands education, practice and retention programs for nurses.
- Expands existing loan repayment programs for practicing nurses to increase nursing faculty.
- Strengthens existing programs to promote diversity in the healthcare profession.

Individual Mandate

The current voluntary healthcare insurance system has led to adverse selection, segmenting health risk instead of ensuring affordable access to primary quality care. In the current system, health insurance companies often screen individuals making it difficult for high health risk persons to be insured or resulting in a very high premium. An individual mandate is an important component for addressing some of the problems of rising costs for consumers under the current system. An enforceable individual mandate with adequate subsidies, clearly defined benefits and choices of plans addresses the concerns of rising healthcare costs within uninsured populations.

We support healthcare reform that:

- Ensures everyone has access to a healthcare system and enforcement of an individual mandate does not exclude care for those without healthcare coverage.
- Requires a standardized comprehensive benefit package through a public option program comparable to those provided to public-sector employees.
- Offers affordable options through subsidies that support low-income and vulnerable individuals based on a sliding-scale fee healthcare system.
- Provides exemptions for those who are ineligible for the public option or subsidies or who would find themselves in financial hardship based on the coverage option in their area.

Employer Mandate

Employer-based insurance is a major source of health coverage. In 2007, 62% of individuals under the age of 65 were covered by their employer.² Whereas the main argument is that a "pay or play" mandate for employers would cause a loss in jobs, a recent study has shown that those claims are completely unfounded.³ In fact, as noted in the survey, such a policy will cause large employment gains due to several factors. These include the creation of new jobs in the healthcare sector and increased worker productivity from improved health. The use of an employer-based mandate in health

¹ Kevin Grumbach, M.D., Arpita Chattopadhyay, Ph.D. and Andrew Bindman, M.D., Fewer and More Specialized: A New Assessment of Physician Supply in California, California Healthcare Foundation, June 2009.

² Paul Fronstin, "Sources of Coverage and Characteristics of the Uninsured: Analysis of the March 2008 Current Population Survey." EBRI Issue Brief no. 321, Washington, DC: Employee Benefit Research Institute, September 2008.

³ Phillip Cryan, "Will a 'Play or Pay' Policy for Healthcare Cause Job Losses?" Report for the Institute for America's Future and the Economic Policy institute, 2009.

reform will not be a burden on employers: it would simply provide options for employers, many of whom already participate in our current system of employer-based coverage, as well as for employees, many of whom will not qualify for any subsidy in the public option.

We support healthcare reform that:

- Requires employers to offer health coverage to their employees or contribute to a pool that helps subsidize coverage for workers purchasing insurance through the exchange.
- Exempts small businesses based on the number of employees.
- Ensures that the quality of employer-based coverage is maintained at a level no less than what is currently offered.
- Provides guidelines that discourage employers from dropping employer-based coverage to opt for the public contribution.

Insurance Market Reforms and Regulations

Over 200 million individuals are currently covered through the private insurance market, with the majority of coverage provided through employment. Even though employer-based coverage is declining due to high costs, the primary source of healthcare coverage is unlikely to change from employment to another option even with national health reform. Any real reform will have to build upon this existing structure. To that end, we must ensure that the current market aligns with the new proposal of providing affordable, comprehensive, quality care and services.

We support insurance market reform that:

- Reduces administrative costs by streamlining paperwork, standardizing forms, and increasing the transparency related to costs, policies, procedures, and included benefits.
- Requires plans and companies to report data on costs and quality measures as well as provide incentives for coordinating care, reducing medical errors and hospital re-admissions, and using electronic information technology.
- Requires plans to offer a standardized, essential benefits package comparable to those for public sector employees.
- Expands dependent coverage for children up to the age of 26.
- Requires guarantees from plans to reissue and renew coverage options and prohibits exclusions based on pre-existing conditions.
- Requires plans to have rating variations based only on the following criteria:
 - Age
 - Family structure and composition
 - Tobacco use
 - Actuarial value of benefits
 - Community rating areas that do not go below the state level.

Quality Care

One of the many challenges contributing to the push for sweeping healthcare reform is the high cost of providing care with little relationship to higher-quality care or improved health outcomes. If reform is to successfully rein in the high costs of current healthcare and the exponential growth predicted for the future, it must be linked to sustainable and tangible improvements in quality. The efforts described below should be included to promote and develop quality care within healthcare reform.

We support healthcare reform that:

- Requires all states to comply with an established set of national priorities and strategies to improve care coordination that at a minimum addresses the following areas:
 - Improvements to healthcare service delivery system
 - Patient outcomes
 - Best practices based on clinically-proven effectiveness research
 - Health disparities.

- Strengthens primary care and care coordination infrastructure through grants and incentives. Care management must be coordinated through all provider levels (primary, specialty, tertiary) and should be tied to the promotion and utilization of a medical home.
- Requires extensive data collection, research, analysis, and broad dissemination on quality care measures developed by a multiple stakeholder process that is reported to a national agency. These measures include:
 - Race
 - Ethnicity
 - Health disparities
 - Culturally and linguistically appropriate care
 - Hospital re-admissions
 - Patient outcomes
 - Other performance improvement measures.
- Develops and requires the use of a nationwide interoperable health information network that permits the exchange and sharing of vital patient medical records and information while upholding patient privacy and streamlining enrollment procedures.

Disease Prevention of Public Health Systems

The establishment of a National Council composed of a multi-disciplinary, cross section of federal agencies would provide the leadership to modernize and coordinate disease prevention, wellness and health promotion practices, the public health system and integrative healthcare. The Council would be charged with developing effective, achievable strategies with specific goals and measurable objectives that improve the health status of Americans and reduce preventable illness and disability. Additionally, a Prevention and Public Health Investment Fund should be created to expand and sustain national investment in prevention and public health programs that improve health and reduce the growth rate of healthcare costs. The Council would encompass a Task Force that reviews scientific evidence related to appropriateness and cost-effectiveness of clinical preventive services. It would provide for planning and implementation of a national public-private partnership for a disease-prevention and health-promotion outreach-and-education campaign to raise awareness of health improvements across the life span. The Council would remove bureaucratic silos for greater efficiency in health promotion and disease prevention.

We recommend healthcare reform that includes:

- National Council participation in investment-fund appropriation decisions and clinical trial funding
- State explicit accountability for implementing Task Force recommendations
- An outreach-and-education campaign that is sensitive to culturally diverse populations
- Grants to each state health department to address fundamental public health infrastructure needs.

Healthier Communities

Community transformation grants provided through the CDC to entities with the history and capacity to engage key multi-sector stakeholders in strategies that include policy, environmental, programmatic, and infrastructure changes should be used to promote healthy living and reduce disparities. We support the proposal that awards grants to state or local health departments to implement 5-year healthy-aging, living-well pilot programs that provide public-health community interventions, screenings, and clinical referrals to populations ages 55-64. The proposal sets standards for accessible medical diagnostic equipment for individuals with disabilities. It establishes demonstration program grants to states to improve immunization coverage across generations through evidence-based, population-based interventions for high-risk populations. Chain restaurants with 20 or more locations and similar retail food establishments are required to post nutrient content and calorie counts prominently adjacent to menu items usually prepared and offered for sale. The proposal provides that

vending-machine operators with 20 or more machines post a sign disclosing calorie count in close proximity to each article of food or selection button. Other food vendors not part of a chain may choose to voluntarily participate by registering biannually with the Health and Human Services Secretary.

We recommend healthcare reform that:

- Engages target populations in developing interventions for healthy-aging, living-well pilot programs.
- Encourages innovative intervention strategies and models that engage targeted population.
- Considers diverse cultures in outreach and intervention strategies.
- Supports evidence-based, community-wide efforts.⁴
- Supports health empowerment zones to improve health and wellness.⁵
- Clearly delineates enforcement procedures.

Prevention and Public Health Information

We support research to optimize the delivery of public health services. This research would include analyzing the translation of interventions from academic to real world settings; identifying effective strategies for organizing, financing, or delivering public health services in community settings; comparing state and local health department structures and systems for effectiveness and cost. It would ensure data collection on race, ethnicity and other factors including the smallest geographic level that can be aggregated. The provision would establish collection standards and a clearinghouse for managing the data under a National Coordinator for Health Technology. The analysis would be disseminated through existing governmental agencies. It would facilitate the use of health impact assessments in examining the built environment's effect on health outcomes. The provision would help coordinate state and local health departments, academic institutions, relevant worksite health promotion organizations in targeted educational campaigns to promote the benefits of employer-based wellness programs.

We recommend healthcare reform that:

- Strengthens state Departments of Public Health.⁶
- Substantially increases support for community health centers.⁷
- Supports comparative effectiveness research.
- Improves health information systems to collect and provide data to reduce disparities.⁸
- Institutes identity protections that correspond to technological capacity.

For healthcare reform to be successful, it must improve health and increase access to quality healthcare for uninsured, under-resourced and underserved populations. Healthcare reform must include greater emphasis on disease prevention and wellness as part of an overall strategy towards improving health, eliminating racial and ethnic health disparities, and increasing longevity in the American population. Ultimately, these measures will also serve to reduce escalating healthcare costs.

Community Health Councils pledges to continue to work with our legislative leaders during the healthcare reform process to ensure that we expand access to comprehensive, affordable and quality healthcare for all communities.

⁴ <http://www.asahq.org/Washington/2009-06-04EChealthcarereformsummary.pdf>. Energy & Commerce Committee summary of healthcare reform legislation, 2009.

⁵ Et al.

⁶ Et al.

⁷ Et al.

⁸ Et al.