

Patients' Choice Act

May 2009

The Patients' Choice Act transforms health care in America: strengthening the relationship between the patient and the doctor; using the forces of choice and competition rather than rationing and restrictions to contain costs; and ensuring universal, affordable health care for all Americans.

Preventing Disease and Promoting Healthier Lifestyles

Each year, five chronic diseases (heart disease, cancer, stroke, chronic obstructive pulmonary disease, and diabetes) cause two-thirds of American deaths; treatment of these largely preventable diseases makes up 75 percent of total health care expenditures. Critical investments in public health and disease prevention will go a long way in restraining health care costs and improving the quality of Americans' lives. The Patient's Choice Act of 2009 would:

- Encourage increased coordination of federal prevention efforts and bring long-overdue accountability to these programs
- Require CDC to undertake a national campaign highlighting science-based health promotion strategies
- Equip recipients of Supplemental Nutritional Benefits with easily understandable information about nutritious food options and target the use of food stamps to healthy food choices
- Invest \$50 million annually for increased vaccine availability and bonus grants to states that achieve 90 percent or greater coverage of CDC-recommended vaccines
- Provide incentives for states to reduce rates of chronic disease like heart disease and diabetes

Creating Affordable and Accessible Health Insurance Options

Our health care system should be easier to navigate and provide integrated care in a more equitable manner. A vibrant market for health insurance that is consistent and fair will allow all Americans access to health coverage. The Patient's Choice Act of 2009 would encourage states to establish rational and reasonable consumer protections, including the following:

- Creates State Health Insurance Exchanges to give Americans a one-stop marketplace to compare different health insurance policies and select the one that meets their unique needs
- Gives Americans the same standard health benefits as Members of Congress, so all Americans have a wide range of choices
- Protects the most vulnerable Americans to ensure that no individual would be turned down by a participating Exchange insurers based on age or health
- Creates a non-profit, independent board to risk adjust among participating insurance companies to penalize companies that "cherry pick" health patients and reward insurers that encourage prevention/wellness and cover patients with pre-existing conditions
- Helps States expand coverage through auto-enrollment at state and medical points of service, for individuals who do not select a plan at the beginning of the year
- Gives states the ability to band together in regional pooling arrangements, as well as the creation of robust high risk pools, reinsurance markets, or risk adjustment mechanisms to cover those deemed 'uninsurable'

Equalizes the Tax Treatment of Health Care, Empowering All Americans with Real Access to Coverage

Economic analysts across the political divide agree that the tax code is stacked in favor of the wealthy and those who get their health coverage through their employers, discriminating against the self-employed, the unemployed, and small businesses. The Patients' Choice Act of 2009 would restore fairness in the tax code and give every American, regardless of employment status, the ability to purchase health insurance by:

- Providing an advanceable and refundable tax credit of \$2,300 per individual or \$5,700 per family
- Improving the operation of Health Savings Accounts [HSAs] by allowing health insurance premiums to be paid with HSAs without a tax penalty
- Allowing preventative services to be covered by High Deductible Health Plans
- Increasing the amount of money an HSA owner may annually contribute to their account

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Modernizing the Medicaid Benefit and Protecting Medicare Beneficiary Choice

The health security for low-income families and American seniors is threatened by the outdated formulas and exploding costs of Medicaid and Medicare. These vital programs require significant reforms to better balance value for those beneficiaries in greatest need and protection for U.S. taxpayers. The Patients' Choice Act would make important improvements to both programs without limiting eligibility or benefits by:

- Integrating low-income families with dependent children into higher-quality private plans through direct assistance
- Removing the stigma of Medicaid and providing access to the same coverage options available to all Americans
- Realigning responsibility between federal and state governments in order to better coordinate benefits by requiring the Medicare program to assume Medicaid responsibility of premiums, cost-sharing, and deductibles for low-income seniors
- Rebalancing long-term care services to ensure choice between institutionalized and home-based care
- Empowering Medicare beneficiaries with more choices and more power by reforming Medicare Advantage
- Allowing for the creation of Medicare Accountable Care Organizations that would improve payment to physicians, hospitals, pharmacists, and nurses for demonstrable improvements in quality and patient satisfaction while reducing costs
- Requiring wealthy Medicare beneficiaries to contribute a little more for their care under Medicare Part D

Ensuring Compensation for Injured Patients

Our current legal system does a poor job at compensating patients for medical mistakes in a fair and efficient manner. Instead of nurturing an environment where medical professionals can openly learn from their mistakes, our legal system often forces doctors and patients into contentious courtroom disputes. The Patients' Choice Act would reform this broken system that helps drive health care costs out of control by:

- Encouraging states to adopt a number of legal alternatives entirely run by the state that would include the establishment of expert medical panels to resolve disputes, creation of health courts, or a combination of both

Establishing Transparency in Health Care Price and Quality

For a vibrant health care market to function properly, patients must know what services cost and who provides the best service. Uniform and reliable measures of reporting quality and price information should be designed by the stakeholders in health care rather than the heavy-hand of government. The Patients' Choice Act would bring this much needed transparency into the health care market by:

- Creating a Healthcare Services Commission that relies on a public/private partnership to enhance the quality, appropriateness and effectiveness of health care services through the publication and enforcement of quality and price information
- Empowering the private sector – rather than Washington bureaucrats – to set standards on price and quality with the input from all major stakeholders in health care, as well as the general public
- Ensuring that measures of effectiveness keep pace with innovation