Covering the Uninsured

Country: USA
Partner Institute: Johns Hopkins Bloomberg School of Public Health, Department of Health Policy and Management
Survey no: (9)2007
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Health Policy Issues: Political Context, Funding / Pooling, Benefit Basket, Access, Remuneration / Payment

Current Process Stages

Featured in half-yearly report: Health Policy Developments 9

1. Abstract

Providing health insurance coverage to the 47 million uninsured is perhaps the number one domestic policy issue. The current President and prominent 2008 Presidential candidates have recently debated the need to cover the uninsured. All share a strong commitment to universal coverage. However, there is continued disagreement over the means to achieve it, especially the role of the private sector.

2. Purpose of health policy or idea

In the United States, health insurance is provided through a combination of private and public sources:

- Sixty-one percent of non-elderly Americans receive private health insurance through their employer.
- Five percent purchase private insurance in the individual market.
- Thirteen percent of non-elderly are covered through public programs. Medicaid and the State Children's Health Insurance Program (S-CHIP) cover low-income adults and children.
- Medicare covers all Americans over the age of 65 (KFF, 2006).

Gaps in employer-sponsored coverage and eligibility limits in public programs, however, have left 47 million Americans uninsured. Most strategies to decrease the number of uninsured propose to expand public or private systems or a combination of the two. Some of the proposals are comprehensive and some are incremental.

I. Expansion of public programs

1. Incremental - Expand Medicaid and S-CHIP eligibility to include low-income adults and children who do not qualify based on individual or family income.

2. Comprehensive - Create a national, single-payer program - "Medicare for All" which would expand the Medicare program for all Americans (KFF, 2006).

II. Expansion of private insurance through employer-sponsored system
1. Incremental - Provide financial incentives such as tax credits to employers who offer health insurance.

2. Comprehensive - Mandate employers to offer health insurance or pay a fee per employee into a public fund (known as ‘Pay or Play’ mandate).

3. Incremental - Encourage small employers to join group health purchasing initiatives, which would increase their negotiating power and risk pool (KFF, 2006).

III. Subsidize individual purchase of private health insurance

1. Incremental - Provide individuals with tax credits or deduction to subsidize the cost of private health insurance.

2. Incremental - Encourage individuals to use tax-free health savings accounts (HSAs) with a high deductible, catastrophic insurance policy (KFF, 2006).

IV. Specific Proposals by President and Presidential Contenders

The current President and the 2008 Presidential candidates draw upon a combination of these strategies to expand health insurance coverage. President Bush and Candidate John Edwards have the most comprehensive plans as of March 2007:

A. President George W. Bush (R):
   - Allow small employers to purchase health insurance through Association Health Plans (collections of small employers that form a large group).
   - Provide a standard tax deduction for health insurance of $7500 for individuals and $15,000 for families.
   - Eliminate the tax deduction for group health insurance
   - Increase use of health savings accounts
   - Provide grants to state governments who help individuals purchase private health insurance.

B. John Edwards (D):
   - Expand Medicaid and S-CHIP to cover low-income adults and children
   - Require employers to provide health insurance for employees or contribute 6% of their payroll to a fund that would help individuals purchase their own insurance
   - Create regional health insurance pools for employers and individuals to purchase coverage.
   - Provide tax credits or subsidies to low-income families who cannot afford health insurance

Main objectives
Expand health insurance coverage to all Americans.

Type of incentives
Financial incentives to individuals and additional government spending.

Groups affected
Government, employers, private insurers, providers, uninsured
3. Characteristics of this policy

<table>
<thead>
<tr>
<th>Degree of Innovation</th>
<th>traditional</th>
<th>innovative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Degree of Controversy</td>
<td>consensual</td>
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</tr>
<tr>
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<td>marginal</td>
<td>fundamental</td>
</tr>
<tr>
<td>Public Visibility</td>
<td>very low</td>
<td>very high</td>
</tr>
<tr>
<td>Transferability</td>
<td>strongly system-dependent</td>
<td>system-neutral</td>
</tr>
</tbody>
</table>

Too early to tell. Very important that it remains on the public agenda.

4. Political and economic background

The US spends more per capita for health care than any other industrialized country. Despite this expenditure, 47 million Americans remain uninsured. President Bush's proposal, the upcoming 2008 Presidential election, and widespread public support for universal coverage have elevated this issue to the forefront of the domestic policy agenda.

Change based on an overall national health policy statement

5. Purpose and process analysis

| Idea | Pilot | Policy Paper | Legislation | Implementation | Evaluation | Change |

Origins of health policy idea

Universal health coverage has been a recurring issue since the early 1900s when President Theodore Roosevelt suggested it. The most recent major discussion of the issue was by President and Mrs. Clinton in 1992-3. Recently large increases in the number of uninsured, rising health care costs, and quality concerns have placed health care reform high on the domestic agenda once again.

Universal health insurance coverage is a key political issue among 2008 Presidential candidates. Public opinion polls repeatedly show that a majority of Americans support universal health insurance coverage. However, ideological divisions over market and government-based proposals continue to dominate the health reform debate. Most candidates have proposed a combination of incremental - and politically acceptable - expansions or incentives to achieve universal coverage. Comprehensive reform proposals such as a single payer system or a nationwide individual or employer mandate are also discussed.

Initiators of idea/main actors

- Government: Republican administration is supportive of policies that target low-income individuals through financial incentives. Democratic candidates are more supportive of public program expansions.
Providers: American Medical Association is in favor of market-based reforms rather than public program expansion. Concerns about too much government control over prices.

Payers: Strong lobbying power for market-based reforms and against government solutions

Patients, Consumers: Not well organized and do not yet have bargaining power of other groups such as the elderly and the American Association of Retired Persons (AARP).

Private Sector or Industry: Dislike tax increases. Small business is generally opposed to pay or play mandates, and more supportive of group purchasing initiatives.

Approach of idea
The approach of the idea is described as: renewed: Both President Bush and 2008 candidates draw upon previously proposed ideas. Universal coverage was first voiced by President Theodore Roosevelt in 1900 and has been on the policy agenda ever since, most notably during the 1930s, 1950s, 1970s and 1990s.

Innovation or pilot project
Local level - The state of Massachusetts passed legislation that included an individual mandate, a financial contribution from employers not offering insurance, a group purchasing arrangement, and subsidies for low-income adults. Other states have similar proposals.

Stakeholder positions
Policy papers have been formulated by both the President [www.whitehouse.gov/stateoftheunion/2007/initiatives/healthcare.html](http://www.whitehouse.gov/stateoftheunion/2007/initiatives/healthcare.html) and John Edwards [johnedwards.com/about/issues/health-care-overview.pdf](http://johnedwards.com/about/issues/health-care-overview.pdf). There is little support from Congressional Democrats for President Bush's proposal.

In addition, there is disagreement over how many of the uninsured will be affected given that many do not pay federal income taxes. The American Hospital Association is also opposed to the Bush plan since funds will be directed away from safety-net hospitals and used for state grants.

Actors and positions
Description of actors and their positions

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<thead>
<tr>
<th>Government</th>
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<tbody>
<tr>
<td>Republican administration</td>
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<tr>
<td>Democratic candidates</td>
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<tr>
<th>Providers</th>
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Influences in policy making and legislation
President Bush has a legislative proposal. However, with opposition from key Democrats such as Nancy Pelosi.
(Speaker of House), Harry Reid (Senate Majority Leader), and Pete Stark (Chair of the House Ways and Means Health subcommittee), it is unlikely to move through the House and Senate. Candidate Edwards has an outline for legislation and the other candidates have broad outlines.

Legislative outcome

n/a

Actors and influence

Description of actors and their influence

Government

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<td>Democratic</td>
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Providers

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<th>Group</th>
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<td>Physicians</td>
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Payers

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Positions and Influences at a glance

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1 Uninsured
2 Democratic candidates
3 Physicians, Private Insurers, Employers
4 Republican administration
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Adoption and implementation
Too soon to tell.

Monitoring and evaluation
Too soon to tell.

Results of evaluation
N/a

6. Expected outcome

In the remaining years of his Presidency, it is unlikely that President Bush will garner enough political support for his proposal, especially given other domestic concerns such as the war in Iraq. The focus, therefore, turns to the 2008 Presidential election. Among candidates, there is a strong commitment for achieving universal coverage. However, there is disagreement over the means to achieve it. Most likely the proposals will build incrementally upon the current system to fill in gaps in health insurance coverage.

<table>
<thead>
<tr>
<th>Quality of Health Care Services</th>
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<tbody>
<tr>
<td>Level of Equity</td>
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</tr>
<tr>
<td>Cost Efficiency</td>
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7. References

Sources of Information


Author/s and/or contributors to this survey
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