

Building on a Record of Creative Solutions

U.S. Senate Republican Task Force on Health Care Costs and the Uninsured



*Personalized solutions to America's
health care challenges*

Senate Republican Accomplishments in the 108th Congress

Senate Republicans are building on a record of success to ensure that health care is more accessible, affordable, efficient and consumer friendly.*

Assuring Access to Safe, Affordable and High Quality Health Care

- **Providing Tax-Free Health Savings Accounts** – Americans can now save money without tax penalty for routine health expenses. These portable accounts purchased in conjunction with high-deductible health insurance allow tax-deductible investments of up to \$2,600 for individual coverage and \$5,150 for family coverage.
- **Providing Drug Coverage to Protect Seniors' Life Savings** – Medicare will offer a generous benefit starting in 2006 for those with high out-of-pocket drug costs. Those with above-average spending of \$7,000 would save about \$3,300.
- **Preventing Genetic Discrimination** – Patients and their families would be protected from discrimination on the basis of their genetic information under legislation passed by the Senate. Employers and health insurers would be barred from using this information to make hiring or coverage decisions. *Status: Senate-passed*
- **Encouraging Competitive Pricing in Medicare** – Market-based reforms on the sale of Medicare-covered durable medical equipment and certain physician-administered prescription drugs save taxpayer money and reduce fraud and abuse.
- **Reducing Drug Costs by Increasing Access to Generic Drugs** – Patients will benefit from more rapid and more predictable access to safe, effective, lower-cost generic drugs due to reducing the legal barriers that delay the movement of generic drugs to marketplace.
- **Preserving Rural Access** – Improving Medicare provider payments in rural areas enhances patient access to quality health care services.

Caring for Those in Need

- **Increasing Funding for "Safety Net" Hospitals** – An additional \$3 billion is available over the next 10 years for the Medicaid program to support hospitals serving low-income and Medicaid patients.
- **Helping Low-Income Seniors Afford Prescription Drugs** – Low-income seniors are protected from high prescription drug costs with a Medicare-approved discount card that comes with a \$600 credit and with comprehensive prescription drug coverage with low (or no) co-payments and deductibles in 2006.

- **Protecting Children’s Access to Health Care** – Over \$2 billion to cover health care spending for children in low-income families was protected by State Children’s Health Insurance Program redistribution legislation.
- **Increasing Funding to Community Health Centers** – At a time of budget shortfalls and fiscal restraint, funding for community health centers that provide low- or no-cost care to low-income people and the uninsured increased by \$113 million, benefiting 2.4 million uninsured.
- **Encouraging Medical Volunteerism** – \$4.9 million was dedicated in 2004 to ensure that free health care clinics can continue to provide care in spite of extraordinary medical malpractice costs.

Supporting Health Care Innovation and Technology

- **Reducing Medication Errors through Electronic Prescribing** – Seniors will soon benefit from greater convenience and safety in filling their prescriptions by having health care professionals transmit their prescriptions electronically to pharmacies.
- **Helping Consumers Identify Quality Hospitals** – Hospitals are given a financial incentive to report quality of care information so that consumers can make more informed decisions about where to go for the best patient care.
- **Paying for Better Performance** – Physicians participating in a Medicare demonstration in four sites across the country will receive bonus payments provided that they meet or exceed performance standards.
- **Reducing Medical Errors** – Improved patient safety and reduced medical errors through a reporting system that promotes the development of interventions and solutions to prevent future errors. *Status: Committee-passed*
- **Adding New Medicare Choices** – Medicare beneficiaries can choose the health care plan that best fits their needs when Medicare begins offering preferred provider organization (PPO) plans in 2006.

*Except where noted, all accomplishments have been signed into law.

COST: Lower Costs for All Americans

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Problem: Health care costs are increasing faster than any other basic service in our society. Run-away cost is the primary barrier for many Americans without health insurance and is heightening the risk that those who have insurance might lose it. The average American household spends about \$3,510 on premiums and medical bills, which does not factor in lost wages and taxes for public health programs.

Solution: Too many health care dollars are wasted because of excessive litigation, lack of consumer input, unnecessary and repetitive tests, low-quality care and bureaucratic paperwork. These costs are then passed on to consumers. By reforming medical liability laws, promoting the efficient use of technology and eliminating bureaucratic red tape, we can drive down the cost of health care.

- Inform and empower consumers
- Improve patient safety and quality
- Use innovative technology efficiently
- Reform the medical liability system
- Reduce premiums by strengthening recovery rights of health plans
- Reduce bureaucratic red tape and burdensome regulations
- Curtail waste, fraud and abuse in federally funded programs

Impact: Estimated savings to the health care system of \$137 billion annually, which translates to \$500 per man, woman and child in America.

COVERAGE: Insurance for Millions More

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Problem: 43 million Americans are uninsured at some point in any given year. Of those, 21 million are without insurance for a year or more. The number of uninsured Americans is a chronic symptom of systemic problems and impacts not only those without insurance, who generally suffer from poorer health, but also drives up costs for everyone.

Solutions: Cover more Americans by targeting reforms to specific needs; developing new insurance options; marrying new subsidies with systemic improvements that allow for greater choice and competition; and optimizing existing public programs.

- Provide new financial assistance and tax credits to make insurance more affordable
- Market Reform Alternatives: Insurance Market Reform or Association Health Plans
- Remove barriers to allow for new multi-state pooling options
- Support and extend last-resort insurance plans
- Make sure Health Savings Accounts (HSAs) are user friendly and widely available
- Create incentives for young adults to purchase lifetime, portable insurance
- Improve enrollment in existing public programs
- Expand coverage options for low-income entrepreneurs and self-employed individuals

Impact: 17-25 million more Americans will have insurance.

CARE: A Helping Hand Where Needed

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Problem: Insuring more Americans is an important goal, but making sure those without insurance still have a safety net of care must also be a fundamental measure of success. Currently, safety net care is in short supply and sometimes is not able to provide a full range of services.

Solution: Provide high-quality care to anyone who lacks insurance coverage and cannot afford to pay for health care by strengthening our existing safety net system and providing the staffing, legal protection, and resources necessary.

- Increase the number of Community Health Centers (CHCs) by providing new funding for systems that serve the uninsured
- Increase access to specialty care within safety net systems
- Make prescription drugs more affordable and available within safety net systems
- Encourage more doctor and provider participation in the safety net system
- Reduce regulatory burdens and enhance the provision of care

Impact: 5 million more Americans will have access to safety net care. Quality will be better for all patients.