

Op-Ed Commentaries

December 14, 2008

Renate E. Pore

Fast action needed on health care

While the problems facing the incoming president are daunting, a time of crisis may be the best opportunity to finally put in place a health-care policy that provides affordable coverage for all Americans and a plan to change our health-care system for the better.

The appointment of former Sen. Tom Daschle to head the Department of Health and Human Services means we can expect action sooner rather than later. Some who know Daschle say that he would not join the Obama administration if health-care reform were not high on the agenda.

A former Senate majority leader, Daschle is a politically experienced health-care wonk. His book "Critical: What We Can Do About the Health-Care Crisis" shows something rare in a politician: a breadth and depth of understanding of the health-care system and its failings.

Daschle has learned his lessons well from reading history and participating in the failed efforts of the Clinton administration. The approach he outlines may actually work, and the economic crisis may provide the best opportunity for reform that we have had in a long time. After all, the worse the economy, the more the high cost of health care hurts us all - individuals, business and government.

Peter Orszag's appointment to the White House Office of Management and Budget also signals reform. Like Daschle, Orszag is a student of the U.S. health-care system. As director of the Congressional Budget Office, he told Congress in 2007, that the current system is unsustainable. While Orszag's report focused on Medicare and Medicaid, he concluded that the problems faced by those programs could not be addressed without overall health system reform.

So what can we expect from the Obama administration? Daschle wants to build on what we have. Eighty percent of all Americans are covered through private insurance, Medicare or Medicaid. To cover the rest, Daschle proposes strengthening Medicaid and offering a new private plan for the uninsured through the Federal Employees Health Benefits Program and a new public program through Medicare. The poorest Americans would rely on Medicaid, and higher-income people could elect to buy into the federal program or the new public program. Coverage for both plans as well as for private-employer-based plans would be subsidized based on income.

Making affordable coverage available to all is only the first step. A much harder problem to solve is constraining costs and improving quality. Daschle cautions against getting mired in thousands of complicated details. Rather than presenting Congress with a massive Clinton-type health proposal where everyone could find something to hate, he proposes leaving the details of changing the way we reimburse for health care and improve quality to a Federal Health Board.

Much like the Federal Reserve, the Federal Health Board would be a quasi-governmental agency. It would establish the framework for the health-care system and fill in the details over time. The board would set rules for new insurance products, including those in the Federal Employees Health Benefit Program. It would promote competition among plans, curb administrative costs and protect consumers. It would work with Medicare to develop a new public insurance option and promote high-value medical care. It would play a role in strengthening our health-care infrastructure and making the system more transparent.

The Federal Health Board would have a board of governors consisting of clinicians, health benefit managers, economists, researchers and other respected experts. The president would appoint the governors, and the Senate would confirm them. They would have long terms spanning more than one president and shielding them from political pressure. The federal board would create regional boards that would have a say in national decisions but focus primarily on promoting best practices and quality of care locally.

State governments are also important players. In West Virginia, the Legislature and Gov. Manchin have put health care on the policy agenda. We can act in the next legislative session to implement recommendations to establish electronic medical records and coordinate the management of chronic conditions, measures which can improve quality and control costs. We should continue to

vigorously pursue efforts in prevention, which began with the governor's Healthy Lifestyles legislation. Increasing the tobacco tax and limiting the excessive consumption of soft drinks in schools would be steps in that direction.

Finally, we should act now to expand health insurance coverage to low-income parents through the state Medicaid program. We have done a good job in assuring coverage for almost all the state's children through Medicaid and CHIP. Now we must work to improve the health of families by providing coverage to low-income parents. Using Medicaid as a base for such coverage is efficient and can provide an economic stimulus by bringing additional federal dollars to West Virginia.

Our economic recovery hinges in large part on retooling our health-care system. It's time to put in place an information infrastructure that can improve efficiency and quality of care. It's time for a more transparent system of reimbursement. It's time to create a health-care system for the 21st century that promotes health, coordinates care and protects all Americans from the devastating cost of illness. It's the change Obama promised and it's the change we expect.

Pore is a health policy analyst for the West Virginia Center for Budget and Policy.