





THE WHITE HOUSE
WASHINGTON

October 1993

My Fellow Americans:

Every American must have the security of comprehensive health benefits that can never be taken away. That is what the Health Security Act is all about.

Americans are blessed with the world's finest doctors and nurses, the best hospitals, the most advanced medical technology, and the most promising research on the face of the earth. We cherish — and we will never surrender — our right to choose who treats us and how we get our care.

But today our health care system is badly broken.

Insurance has become a contest of finding only the healthiest people to cover. Millions of Americans are just a pink slip away from losing their health coverage, one serious illness away from losing their savings. Millions more are locked into jobs for fear of losing their benefits. And small business owners throughout our nation want to provide health care for their employees and families but can't get it or can't afford it.

Next year we will spend more than one trillion dollars on health care — and still leave 37 million Americans without health insurance, and 25 million more with inadequate coverage. Skyrocketing health care costs have forced workers to trade wage increases to maintain health benefits and crippled our nation's manufacturers in global competition. And every month that passes without health care reform adds billions to our national deficit.

In short, all the things that are wrong with our health care system threaten everything that's right. To preserve what's right and fix what's wrong, we must get the system under control — and put people first.

The Health Security Act is grounded in six basic principles: security, simplicity, savings, quality, choice and responsibility.

Security means providing every American with comprehensive health benefits that can never be taken away. We must — and we will — outlaw insurance company practices that discriminate against consumers and small

businesses, and make care available to all Americans, no matter where they live or how old or sick they are.

Simplicity means reducing the paperwork that frustrates all of us and wastes countless hours and billions of dollars. We must cut through the red tape and free doctors and nurses to return to what they do best — care for patients.

Achieving savings starts with giving groups of consumers and small businesses the same buying clout as large employers to bargain for fair prices. Communities, companies and health plans across the nation are learning to discipline health costs. We must follow their lead.

Quality means improving what is already the highest quality care in the world. It means a new emphasis on keeping us healthy rather than waiting until we get sick, and giving consumers and providers the information they need to judge quality for themselves.

Choice means preserving our right to choose our doctors and increasing our choice of health plans. We must protect the doctor-patient relationship that lies at the heart of good health care.

Responsibility starts with those who profit from our current system but carries on to each and every one of us. It means every employer and employee must contribute something to the cost of health care, even if that contribution is small.

These principles are the guiding stars that we will follow on our journey toward health care reform. I am convinced that if we agree on these basic values, we can preserve all that is right with American health care, and fix what is wrong.

Our history — the history of challenges met, and obstacles overcome — teaches us that we can succeed. After decades of false starts, we must find the courage to change. And when our work is done — when we provide every American with true health security — we will know that we have answered the call of history and met the challenge of our time.

Bill Clinton

Health Security

The President's Report to the American People

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Foreword

Hillary Rodham Clinton

Together, we stand at a unique moment in history. In the coming months, we have an opportunity to accomplish what our nation has never done before: provide health security to every American — health care that can never be taken away.

The debate over health care reform that will unfold over the next several months touches all of our lives and the lives of our children, our parents and generations to come. Because this issue is so critical to all of our futures, it is important that all of us have the opportunity to understand the complex issues and difficult choices that lie behind the design of any comprehensive reform effort.

That is why we have written this book — to lay out the dimensions of the crisis that confronts our nation, explain its elements and complexities, and state the case for comprehensive reform as proposed in the Health Security Act.

Book after book has been written about the intricacies of the health care system and the difficulties of addressing these problems. But most of them have not been written for people like you and me — people who may not be experts in health care policy but need and want to understand an issue so vital to our nation and our future.

I invite each and every American to read this book, to listen to the stories told here, to think about the issues and grapple with this complex — but solvable — problem. Then I invite every American to join in the debate.

Every month, two million Americans lose their insurance for some period of time. Every day, thousands of Americans discover that, despite years of working hard and paying for health insurance, they are no longer covered. Every hour, hundreds who need care walk into an emergency room because it is the only place they can go. And business owners, large and small, struggle to stay afloat

while providing coverage for their families and employees.

Each time someone loses health coverage or is denied insurance, their experience becomes another chapter in a growing national tragedy. Anxiety and fear about the cost of health care affect tens of millions of Americans — those with health insurance and those without. Even those with the very best benefits worry that their insurance might not be there tomorrow or may no longer be affordable.

Over the past months, I have had the extraordinary opportunity of listening to thousands of Americans talk about health care. I've sat in living rooms talking to farm families. I've stood on loading docks talking to people who have worked for 10, 15, and even 20 years without insurance. I've visited hospitals, talking to doctors and nurses. I have learned firsthand about the tragedies of hard-working families who simply cannot get the health care they deserve.

I have read letter after letter of the more than 800,000 we have received at the White House from people all over our nation who took the time to sit down and share their concerns about health care. I have been moved by stories of parents who cannot afford a prescription for a child who is sick and hurting, of families barely hanging on financially and emotionally because of a health care crisis, of people trying to start a new business suffocated by skyrocketing insurance costs, of older Americans forced to choose between food and medicine, and of young people just leaving school unable to afford insurance.

I have carried their stories in my mind as we worked long and hard to devise solid answers to tough questions. The President's Health Security Act is a product of all the people who took the time to share their ideas, their research, and their personal experiences with us. And, as we move forward in this great national discussion, we must focus on these people, their health care, and their peace of mind — not solely on theories or statistics.

The concerns that were expressed again and again — from those who need care and those who give care — convinced me of one point: although America can still proudly boast the world's finest health professionals and astounding medical advances, our health care system is broken. If we go on without change, the consequences will be devastating for millions of Americans and disastrous for the

nation in human and economic terms.

As a mother, I can understand the feeling of helplessness that must come when a parent cannot afford a vaccination or well-child exam. As a wife, I can imagine the fear that grips a couple whose health insurance vanishes because of a lost job, a layoff or an unexpected illness. As a sister, I can see the inequities and inconsistencies of a health care system that offers widely varying coverage, depending on where a family member lives or works. As a daughter, I can appreciate the suffering that comes when a parent's treatment is determined as much by bureaucratic rules and regulations as by doctors' expertise. And as a woman who has spent many years in the workforce, I can empathize with those who labor for a lifetime and still cannot be assured they will always have health coverage.

As an American citizen concerned about the health of our nation, I stand with you as we confront this challenge that touches all of us. We can and will achieve lasting, meaningful change.

Chapter 1

WHY WE NEED REFORM

“You know, there’s that old saying: If it ain’t broke, don’t fix it...This system is broken and desperately needs to be fixed...If I were talking about this as a patient, I would say that it is in intensive care and we’re not seeing the kind of vital signs that would lead us to believe it will recover.”

*—A doctor at St. Agnes Hospital
Philadelphia, PA*

In many ways, the American medical system represents our nation at its best, pioneering in the most noble of human pursuits, the healing of the sick. It is the result of five decades of national investment — investment in research into disease and prevention, training of doctors, nurses and technicians, and construction of hospitals and medical schools.

Today tens of thousands of dedicated health care professionals apply their unmatched skills to the world’s most advanced technologies and procedures. They deliver some of the best health care on earth. No other health care system exceeds our level of scientific knowledge, professional skill and technical resources.

But America’s health care system also presents our nation with one of its gravest challenges.

Bring together any group of citizens and the dimensions of the health care crisis emerge from their stories. Stories about insurance

coverage lost, policies cancelled, fear of financial ruin, better jobs not taken, endless forms filled out. They are stories of frustration and insecurity — and, too often, pain and fear.

Today, everything that is wrong with the American health care system threatens everything that is right. That is the reality that drives the call for fundamental reform, the reality from which President Clinton's Health Security Act arises.

Rising Insecurity

From the 1940s through the 1970s, the United States made steady progress toward broader health care coverage. Employment-based insurance and public programs expanded to reach more people and offer more benefits. Beginning in the 1980's, however, the number of Americans lacking health insurance has increased steadily — while health care costs have increased at ever-rising rates.

The result: growing insecurity. Today, according to estimates prepared by Families USA, more than two million Americans lose their health coverage every month. Many get it back within a few weeks or a few months, but every day a growing number of Americans are counted among the more than 37 million who go without health insurance — including 9.5 million children. Millions more have health coverage so inadequate that a serious illness will devastate their family savings and security.

Unlike other nations that have made health coverage a right of citizenship, the United States continues to treat it as a “fringe benefit” of employment, something that can be given or taken away. Over the course of any two-year period, one in four Americans learns how easily that privilege can be taken away, leaving them vulnerable to financial ruin. Others watch anxiously as their health benefits erode. Even those with the best benefits wonder what will happen if they lose a job or change jobs.

Americans value what health care can do *for* them; increasingly, many fear what the health care system can do *to* them.

At the root of the problem lies our health insurance system, which gives insurance companies the right to pick and choose whom to

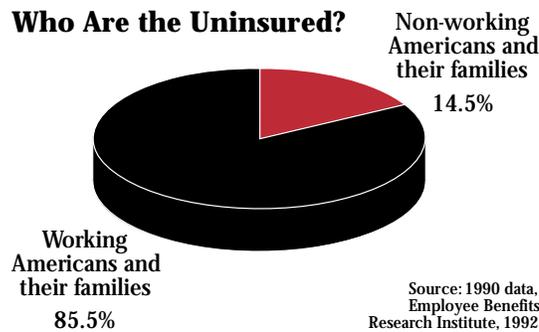
cover. Risk selection and underwriting — the practice of identifying the healthiest people, who pose the least risk — divide consumers into rigid categories used to deny coverage to sick or old people, or set high premium rates.

“The way the system works now, even employed, insured people are just one major illness away from financial disaster.”

*K.P.
West Lafayette, Indiana*

The result is a system that is stacked against individuals, families and small businesses. Millions of Americans have lost their insurance when they got sick and needed insurance most. People with pre-existing conditions — an insurance term for medical conditions or diseases diagnosed before people apply for coverage — either cannot obtain coverage or can often only obtain it at exorbitant prices. Many lose their insurance coverage when a spouse dies or they divorce.

Among the 37 million Americans who lack insurance, 85 percent belong to families that includes an employed adult. Those who work part-time or are self-employed, often cannot obtain group coverage. Fear of losing insurance locks millions of Americans into jobs they want to leave; changing jobs or starting a new business can mean losing health insurance. And many people stay on welfare to get government health benefits they could not obtain if



they were employed in minimum wage jobs.

For small businesses, health security has become almost impossible to achieve. Insurance companies charge small businesses higher rates than they charge major corporations, while refusing to cover some industries considered high risk. Small business owners that want to provide insurance can find themselves priced out of the market, leaving them unable to protect their families or employees.

“My husband and I own and operate a small business. This year we will make our employees pay for any increase in premiums and may drop [some benefits] altogether. Our company cannot shop around for lower cost health insurance because I am uninsurable.”

*B.M.
Phoenix, Arizona*

Prompted by ever-rising costs, employers of all sizes have reduced health coverage benefits, raised deductibles, limited coverage and switched to hiring more part-time and contract workers in part to avoid paying health benefits. Sometimes without realizing it, workers sacrifice wage increases for health benefits, making a tradeoff between what they deserve and what they need. What many Americans fear most about losing a job is losing their health insurance.

Even for Americans employed by the largest corporations, rising health costs present an increasing competitive disadvantage, prompting renegotiation of benefits, reductions in coverage, higher deductibles, limits on choice of doctors, and attempts to shepherd employees into one health plan. As costs continue to rise, these trends become more pronounced — and increasing numbers of American families find health security beyond their reach.

This growing insecurity also has a great impact on older Americans. Any pharmacist will tell you that thousands of elderly people must decide every week between buying medicine and buying food. Doctors who care for the elderly know that cutting down on a dosage to stretch a prescription or skipping a refill has become commonplace, particularly among the elderly who live only a little above the poverty line.

At the same time, a second and perhaps more daunting challenge confronts us: the growing need for security against the devastating costs of long-term care for the elderly and people with disabilities. With the number of Americans over age 85 projected to double by the year 2010, the need for long-term care is expected to rise dramatically as the next century begins, affecting not only those who need care but their families as well.

In the past, the United States has attempted to remedy the gaps in our health care system by expanding public programs or adding new programs aimed to fill specific needs. Community health centers, public health clinics, clinics for migrant workers, and public hospitals — all add up to a patchwork of services covering specific populations, but we have never met the growing need for reliable and secure health coverage.

“When my two sons were 3 and 6, Spencer and Evan were diagnosed with cystic fibrosis. In the blink of an eye, my two beautiful, healthy boys became part of our worst nightmare. We had to face the fact that we could lose them to this dreadful disease. We live in constant fear of losing our medical coverage...

Without the drug coverage that we now have, it would cost us at least \$1500 a month for their medicine alone. These little boys are virtually uninsurable...As mothers we need to protect our children, and I don't want to feel frightened about this all my life.”

A.B.
Pleasanton, CA

Growing Complexity

American health care is choked by paperwork and strangled by bureaucracy. Administrative costs are higher in the American health care system than in any other country, and rising rapidly.

Confusion, complexity and increasing costs stem from the peculiarities of our health insurance system. Consumers experience it around the office or the kitchen table, when they are faced with piles of incomprehensible forms or when an insurance company refers them to the fine print in a policy to answer a question. A change in jobs or a move to another state can mean deciphering a whole new set of documents and learning a whole new set of rules.

“While we go about our business caring for our patients, we are being buried in paperwork. Everyday, my mailbox is filled with directives, new regulations and papers to sign. The truth is, if I read all my mail, there would be no time left to see my patients.”

Dr. Jules Zysman

For small businesses, too many health care dollars go to administration not to actual care. Firms with fewer than five employees face administrative costs that absorb as much as forty cents of every premium dollar, compared to about five cents for larger companies — one reason why many small businesses do not have health insurance.

The sheer number of insurance companies and health plans also adds costs. Hospitals, clinics, doctors and other health providers must deal with hundreds of different insurance plans, each with its own benefit package, exclusions and limitations — and mountains of forms, rules, rates and payment procedures to follow. Each insurance carrier, federal program and type of policy — be it health insurance, auto insurance, or workers’ compensation — has its own requirements. Hospitals have been forced to establish whole departments,

create new occupational categories and hire special clerks to handle the paperwork.

In an attempt to control costs and improve quality, private insurance companies and government programs require doctors and other professionals to seek approval before providing treatment, and submit case records for reviews.

For example, a government program or insurance company considering a \$30,000 hospital bill has no direct knowledge of the case or the services delivered. Reviewers want evidence that the care was necessary, that it was delivered, and that the bill is accurate and justified.

Every doctor's office and hospital must hire staff to document every service delivered, enter record codes, send out bills, and process other paperwork. They must determine whether an individual qualifies for health coverage, which company carries the primary policy, whether the services are covered, whether another policy covers the same care, how much each company is willing to pay, and how forms need to be filled out. Those staff then spend hours on the telephone with insurers arguing about what's covered and what's not. In many cases, these steps are only the beginning; receiving payment can take weeks.

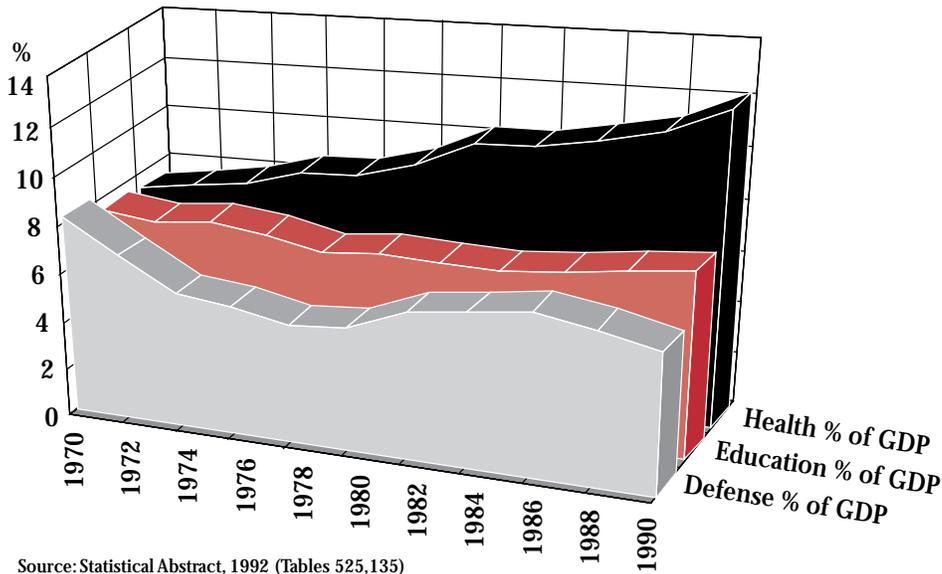
Doctors, nurses and other professionals feel frustrated by bureaucracy, and worry that outside controls compromise their ability to make decisions about treatment. The relationship between doctors, nurses and their patients cannot help but be strained when the "hassle factor" and paperwork drain time and energy away from the delivery of care.

Rising Costs

Between 1980 and 1992, American health care spending rose from 9 percent of Gross Domestic Product (GDP) to 14 percent. Without reform, spending on health care will reach 19 percent of GDP by the year 2000. If we do nothing, almost one in every five dollars spent by Americans will go to health care by the end of the decade, robbing workers of wages, straining state budgets and adding tens of billions of dollars to the national debt.

American workers already feel the impact of rising health costs in

In 1990, the U.S. spent more on health care than on education and defense together, and the gap is widening each year.



Source: Statistical Abstract, 1992 (Tables 525,135)

their paychecks. Had the proportion that health care makes up of workers' wages and benefits held steady since 1975, the average American worker would be making \$1,000 a year more today. If current trends continue, real wages will fall by almost \$600 per year by the end of this decade.

For every American family and business that purchases health coverage, the real cost of health care is substantially higher than most of us realize. We pay insurance premiums, deductibles (the amount we pay each year before insurance kicks in), plus whatever co-payments or co-insurance (the amount we pay that insurance doesn't cover) our policies require. And all those payments include a hidden 10 percent surcharge — in the form of higher bills — to cover the more than \$25 billion in care that hospitals and doctors provide every year to people who cannot pay. Finally, we pay a payroll tax to cover the cost of Medicare, and other local, state and federal taxes to support the safety net of public programs that help fill in the gaps.

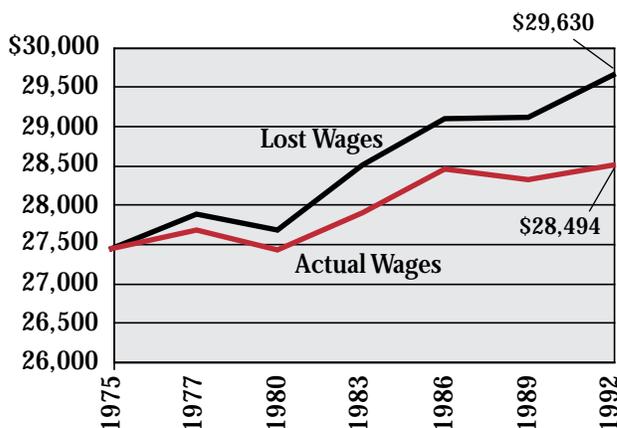
For America's employers, these costs put us at a disadvantage in international competition. Health costs in the United States, for

example, add about \$1,100 — about twice as much as in Japan — to the cost of every car made in America.

Rising health care costs deal the same blow to government budgets that they do to workers, families and businesses. If current rates continue, health spending will consume as much as 111 percent of the real increase in federal tax revenues during this decade. The same holds true at the state and local level, where increasing demands for public spending on health care, threaten state budgets and drain resources. For the first time in our history, state spending on health care now outstrips spending on education. Health care will consume a third of projected real increases in state and local budgets during this decade.

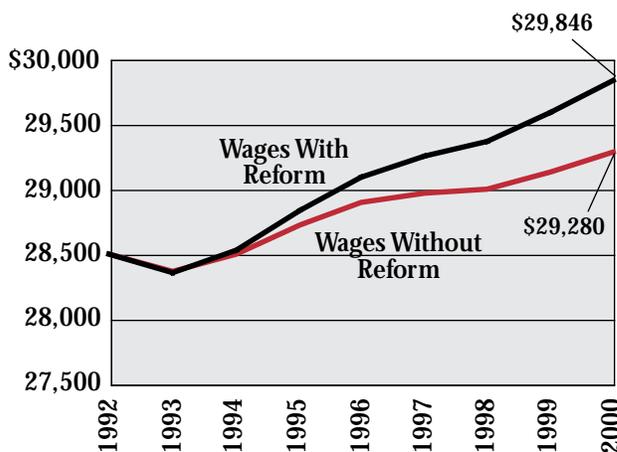
TODAY

If health care had been reformed in 1975, American workers would have over \$1,000 in extra wages every year.



FUTURE

Without reform workers will lose almost \$600 per year in wages by the year 2000



Source: Commerce Department; Office of Management and Budget

Rapidly escalating costs are particularly threatening to the security of two population groups — Americans older than age 65 and the severely disabled — for whom we decided decades ago to extend health security under the Medicare program. But with growth in Medicare spending running 23 percent higher than the rate of inflation over the last decade, calls to cut Medicare have become commonplace.

The excessively high cost of health care is not the result of forces beyond our control. Other advanced countries provide coverage for all their people at lower and more stable costs and with higher levels of consumer satisfaction (and, in some cases, life expectancy). The American health care system consumes enough money to provide health security to every citizen and legal resident over time. As in other countries, the financial discipline needed to make care affordable can also keep health costs in line with the rest of the economy.

The fundamental problem in America is not that we spend too little for health care. It is that we don't get good value for the billions of dollars we spend.

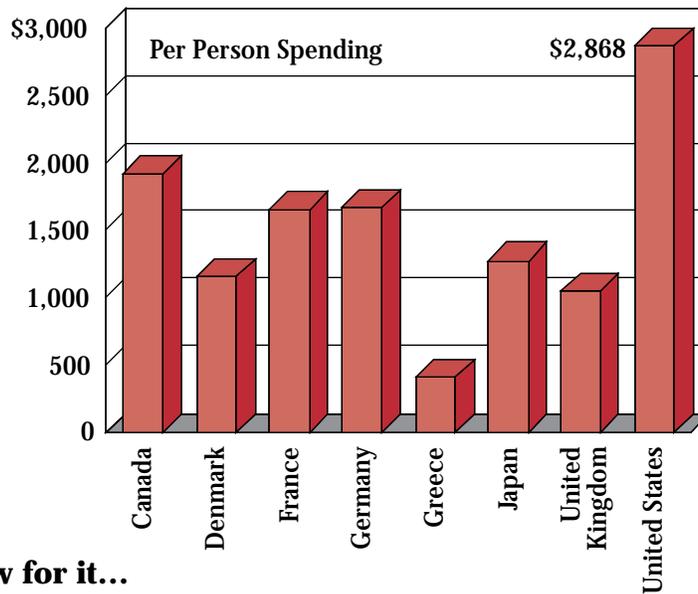
Much research has demonstrated the waste and inefficiency of the health care system — as any doctor, nurse, patient or consumer can verify. First, we train too few doctors who provide the basic health care that most Americans need. Second, we neglect the basics of good medical care — such as preventive services — while investing too much in expensive, high-tech equipment that sits idle. Experts also estimate that health care fraud drains more than \$80 billion each year from legitimate needs.

The incentives built into our health care system have also led to striking variations in the cost and frequency of medical treatments.

“Solutions must be found for spiraling health care costs that are eroding the competitiveness of U.S. companies in international markets and causing lower wages, higher prices for goods and services, and higher taxes here at home.”

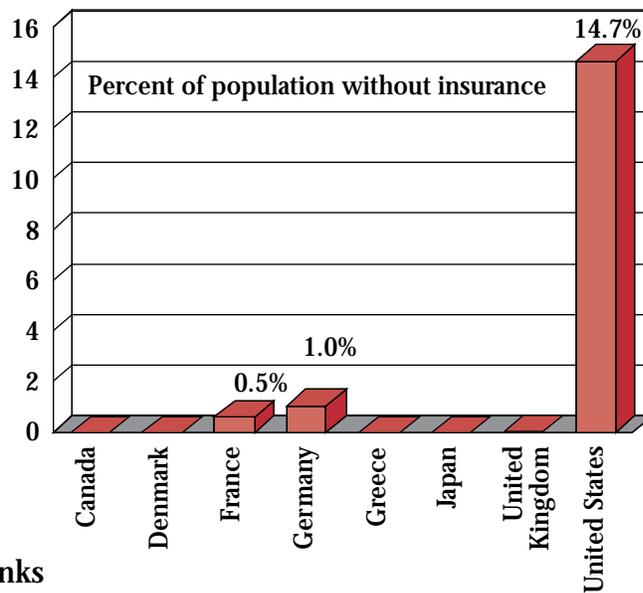
*Kenneth L. Lay,
Chairman and CEO of Enron Corporation*

America Spends More Than Its Competitors on Health Care...



with less to show for it...

- Fewer Americans have health security



- The United States ranks
 - 19th in infant mortality rates
 - 21st in life expectancy for men
 - 16th in life expectancy for women

Source: Organization of Economic Cooperation and Development; Department of Health and Human Resources

Working at the Dartmouth Medical School, one research team compared how often patients covered by the Medicare program went into the hospital. The team discovered that elderly patients who lived in Boston were 1.5 times as likely to be sent to the hospital as those in New Haven. As a result, the average cost of care for Medicare beneficiaries living in Boston was twice as high as for those living in New Haven. But the researchers found no evidence that Medicare patients were any healthier in one city than in the other.

Other studies have documented similar variations. A study published recently in *The New England Journal of Medicine* found that after adjusting for differences in age and sex, Medicare payments for doctor care for patients varied from \$822 in Minneapolis to \$1,874 in Miami — with no discernible difference in health to justify the difference in cost. The current system offers few incentives to probe why these variations occur.

After years of attempting to slow the frightening rate of increase in health care costs by tinkering with the existing system, it is clear that only comprehensive reform will work. Only a fundamental change of direction — a change that reduces the waste and bureaucracy and turns today's upside down incentives right side up — can bring about the savings needed to make the promise of security real. States and communities across the country are proving that it can be done; now we must set the entire nation on this positive course.

Decreasing Quality

While the American health care system features some of the world's best quality care, the constant improvements in quality are now threatened. Today, we have no clear sense of what treatments work best and which treatments should be used in different situations. And our neglect of preventive care means that we are not as healthy as we could be.

Traditionally, Americans have assured medical quality by setting standards and then sending regulatory agencies to search for those who fail to meet them. In its oldest form, federal and state laws require health professionals and institutions to satisfy minimum criteria for licensing and certification. But while these procedures are

necessary to protect consumers from substandard care, they have done little to improve quality or reward excellence.

Government and private sector regulators have written thousands of pages of rules governing everything from the qualifications of nurses' aides to the square footage of hospital rooms. Review agencies require doctors, nurses and hospitals to document each step in treatment and scrutinize case records. For many health professionals, quality assurance has come to mean nothing more than outside reviewers poring over records in search of errors. Too often quality programs just mean interference and punishment.

“The duplication of documentation, the authorization forms, the insurance claims forms and all of the complicated and often more contradictory instructions devised by the more than fifty insurance plans we accept are all overwhelming.”

*Dr. Lillian Beard
Pediatrician
Children's Medical Center
Washington, D.C.*

Traditional quality systems have not produced the information that would be most valuable to doctors, nurses or consumers. Doctors and health care managers are frequently unaware of what happens where they work — for example, how often surgeons perform various operations, at what costs and with what results. They are even less likely to know how their performance compares to that of other professionals in the same community, much less across the country.

Since doctors and hospitals don't know how they measure up, patients are in the dark on most medical decisions, unaware of risks and benefits of alternative treatments or settings. Information that would allow them to make meaningful comparisons does not exist. Making this information available would give consumers a way of knowing that the care they receive is high quality and cost-effective.

Declining Choices

Free choice of doctors and other health care providers cuts to the core of the American health care system and the center of the doctor-patient relationship. For patients, the ability to keep seeing their doctor — someone familiar with their medical history and their family — can mean the difference between a good experience and a frightening one, sometimes even the difference between successful and poor outcomes. Perhaps no issue is more important to patients.

But today even patients who have good private coverage increasingly have restricted choices. Almost every practicing doctor has had patients call the office upset because they had to transfer to another physician when their employer or a job change caused them to switch them to insurance carriers. And doctors often find themselves discouraged from joining all the health plans in which they want to participate, separating them from some of their patients.

Faced with rising costs, many American employers increasingly limit the health care choices workers once took for granted. Today only one in three companies with fewer than 500 employees offers its workers a choice of health plans. Increasingly, the one plan available may limit choice of doctors, often disrupting valued relationships.

In one other sense, choices are limited in today's health care market. When the elderly or disabled need long-term care, they generally have only one place to go if they want coverage: the nursing home. Despite the fact that many would rather receive care in their homes and communities -- a choice that is usually less expensive than institutional care -- they are blocked from using federal health care dollars for such care. These peculiar rules and wrongheaded incentives single out for punishment those groups that deserve the security of guaranteed care.

Growing Irresponsibility

Irresponsible behavior in our current system begins with those who profit the most: insurance companies that search for only the healthiest people to cover while excluding the sick and the elderly; and pharmaceutical companies that sometimes charge Americans three times what they charge citizens of other nations for prescrip-

tion drugs.

The medical malpractice system also fosters irresponsible behavior. Although the direct costs of medical malpractice are not great — experts estimate that they account for no more than 2 percent of health care spending — the threat of frivolous lawsuits breeds distrust and fear among doctors and other health providers. Procedures that doctors and hospitals perform to protect themselves from lawsuits adds billions more in “defensive medicine” to our bills.

This lack of responsibility can be seen throughout the system. Many people pay nothing for their health care, and in turn, contribute to skyrocketing costs. In the United States people who have no health insurance or who have inadequate coverage still receive care — but often it’s the most expensive type of health care delivered in the most expensive place: the emergency room. Doctors, hospitals and clinics are forced to pass those costs along to everyone else — leading to what’s known as “cost shifting” — which contributes to rapidly rising health spending.

Take the example of two businesses in a small town, a gas station and a car wash. Ever since he opened his business, the gas station owner has provided good health insurance coverage for his employees. Down the street, the owner of the car wash wants to provide insurance coverage, but he does not because he can’t get a reasonable rate from an insurance company.

Not having health insurance doesn’t protect the employees of the car wash from injury, of course. So when one of them gets hurt in an accident, he or she goes to the emergency room. The doctors provide treatment and the hospital sends the bill knowing full well that the patient cannot pay all or, in some cases, any of it. In turn, the hospital raises its rates for other patients to make up the difference. In effect, the gas station owner and his employees are paying for the health care of the car wash owner and his employees.

The bottom line is simple: every American pays when a company or individual fails to assume responsibility for health coverage or when insurance companies price people out of the market. Those who pay for health coverage end up paying for those who can’t or don’t. Restoring responsibility is vital to providing health security for every American.

An American Challenge

Like a patient denying the symptoms of serious illness, for decades America has put off confronting the crisis in health care. Comprehensive health care reform has long seemed so formidable, complex and costly that we have denied the threat that continuing on the same course poses to our own lives, the lives of our children, and the course of our nation.

The cost of doing nothing far outweighs the cost of reform. One of every four Americans stands to lose health coverage at some point in the next two years. By the year 2000, one of every five dollars earned by Americans will go to health care. The average worker will sacrifice more than \$600 in annual wages to pay for health care coverage. Rising costs will force firms to cut back further on benefits and scale back choices.

Despite its many achievements, America's health care system is threatening millions of people each year, undermining security, the ability to compete, and economic strength. The challenge of health reform is to alter that course, to reverse the harm while improving the quality of care, to replace fear with guaranteed security.

