This Week in Health Reform…

- President Obama’s Address
- Senator Baucus Proposal
- Health Spending Rate of Growth

Office of Health Policy and Government Relations
President Obama’s Address

During Wednesday night’s address to a joint session of Congress, President Obama reaffirms that the goal of reform is three-fold: to provide security and stability to those with health insurance, to provide insurance to those without, and to slow down the growth rate of health care costs for families, businesses, and the government.

President Obama’s Conditions for a Reform Bill

- Reform will not require the hundreds of millions of Americans who already have health insurance to change their coverage or their doctor.
- Under reform it will be against the law for insurance companies to drop a person’s coverage when they get sick or to deny coverage for people with pre-existing conditions.
- Under reform it will be against the law for insurance companies to place a cap on the amount of coverage a person receives in a given year or a lifetime.
- Out-of-pocket expenses will be capped.
- Reform will create a new insurance marketplace, called the Exchange, which allows for individuals without insurance and small businesses to buy coverage.
- There will be a mandate for all individuals to carry health insurance.
- Illegal immigrants will not be covered under reform.

To access President’ Obama’s entire plan: "The Obama Plan: Stability & Security for all Americans"
Senator Baucus Proposal

Senate Finance Committee Chairman Max Baucus introduced a framework this week to the five other negotiators. The bill language will follow next week and a markup of the bill is set for September 21st.

Framework

Insurance Market Reforms
- Health insurance plans in the non-group and small group markets would be prohibited from excluding coverage for pre-existing conditions.
- Health insurance exchanges would be established at the state level.
- States may form “health care choice compacts” that allows for the purchase of non-group health insurance across state lines.
- Consumer Operated and Oriented Plans (CO-OP) would be established at the state level.
- Everyone will be required to purchase health insurance (individual mandate).

Revenue Provisions
- Excise tax of 35% would be levied on health insurance plans above $8,000 for individuals and $21,000 for families.
- Annual fees will be imposed on various sectors including pharmaceutical manufacturers, medical devices manufacturers, health insurers, and clinical laboratories.

Quality
- Framework links payment to quality outcomes in Medicare.

Workforce Improvements
- Graduate medical education training positions for primary care would be increased.

Prevention
- Cost-sharing would be eliminated for preventive services.

Correction to last week’s Policy Beat: Sen. Jeff Bingaman (D-NM) is the sixth member of the Gang of Six, not Sen. Hatch.
If health spending continues at current levels, then increasingly greater portions of GDP will go to health spending, at the expense of other national priorities.

What this means:
- Individuals and families will have to use more of their paycheck to pay for health care.
- State governments with balanced budget requirements will have to devote more of their budget to health care, thereby cutting back on other essential programs.
- Slowing the rate of growth by ½ percentage point saves the system hundreds of billions of dollars over the next ten years.

NHE = National Health Expenditures
Please continue to share information with the National Medical Association about your advocacy activities, including conversations with members of Congress and their staff, meetings and events in your community, letters to the Editor, radio/television appearances, etc.

**Examples of Advocacy Activity from NMA Members** –

*Cook County Physicians Association (the NMA’s local affiliate in Chicagoland), along with a local radio station, is hosting an educational forum on health care reform on Saturday, September 19.*

*NMA member in Detroit writes *op-ed* in his local paper.*

*Members in Tallahassee and Houston attend Town Hall meetings.*

For the latest health policy news and information visit our page [NMA Health Policy Updates](#)
Work Cited


  http://www.kff.org/insurance/snapshot/chcm050206oth2.cfm


  http://www.whitehouse.gov/issues/health_care/plan/