

The first wealth is health

“The first wealth is health.”
Ralph Waldo Emerson

penned these words recognizing that good health is essential to the prosperity of the American people.

During periods of economic downturn in our nation's history, however, Americans' health has often been among the first casualties. Today, with skyrocketing health-care costs and financial woes affecting both Main Street and Wall Street, people urgently need access to high quality, affordable medical care.

Currently, the United States spends \$1 out of every \$6 on health care — twice as much as any other nation — but ranks only 42nd in life expectancy and 37th on a World Health Organization study of the performance of national health systems.

Furthermore, Americans get the right treatment only 55 percent of the time. Some businesses report paying more for their employees' health-care costs than on the products they manufacture.

With growing numbers of unemployed and uninsured, Emerson's insight reminds us that America's health and its wealth are inextricably entwined. That is why, with the election just a two days away, Americans need to know how the presidential candidates plan to fix our nation's broken health-care system.

While both candidates emphasize the importance of prevention, disease management, comparative effectiveness research, more reporting of quality and price data as well as the



“NO HEALTH INSURANCE, EH? DOES HE KNOW HOW CADDY?”
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incorporation of health information technology in their plans, Sen. John McCain and Sen. Barack Obama otherwise have very different visions and solutions for the future of the

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U.S. health-care system.

Mr. McCain's plan emphasizes that consumers should have more personal control over their health-care dollars and the care they receive. Mr. Obama envisions shared responsibility among individuals,

businesses and government to ensure all Americans have access to quality health care.

Mr. McCain's plan aims to level the playing field between the individual and employer-based insurance markets by removing tax incentives that favor individuals obtaining insurance through their workplace. Under the McCain plan, tax deductions for businesses will remain largely unchanged. However, for the 162 million Americans who obtain coverage through their employers, health benefits would become part of their taxable income.

To offset this tax increase,

Mr. McCain would provide a refundable tax credit of \$2,500 to individuals and \$5,000 to families paid for, in part, by decreasing waste and fraud in Medicare and Medicaid and as a result of market forces that he believes could drive down costs. These credits would assist some uninsured people to obtain coverage and subsidize premiums for those with existing insurance plans.

While these tax credits may benefit the relatively healthy in the individual market, those in poor health and with pre-existing conditions — faced with unaffordable premiums or insufficient coverage — may be

relegated to underfunded state high risk pools.

Another concern raised is that Mr. McCain's tax credits are not designed to adjust to rising premiums. In the short term, these credits may boost coverage in the individual markets. However, if premiums continue to grow faster than wages, more Americans may face unaffordable coverage.

Additionally, Mr. McCain's proposal permits people to purchase health plans across state lines to promote competition and insurance portability. Mr. McCain, however, does not specify how these plans would be regulated, which could significantly jeopardize state consumer protections. Some experts warn that Mr. McCain's proposal to deregulate insurance markets may negatively impact our nation's health as financial market deregulation has destabilized our economy.

Mr. Obama takes a very different approach to health-care reform. A key component of Mr. Obama's plan is to extend comprehensive coverage by creating a new federally regulated National Health Insurance Exchange (NHIE) that guarantees eligibility regardless of pre-existing conditions, sets premiums independent of health status, and provides a wide range of private insurance options along with a new national plan (similar to what federal employees and their families have).

Americans may choose among the plans offered in the NHIE or keep their current coverage. Mr. Obama's proposal provides subsidies for individuals and families who cannot afford to purchase insurance, would cover all children, and expands eligibility for public programs including Medicaid and SCHIP. While some experts suggest that requiring high-quality standards could be expensive, Mr. Obama's plan proposes to contain costs by enhancing efficiency in the health-care system and by al-

lowing this administration's tax cuts to expire for people who earn more than \$250,000.

Under Mr. Obama's plan, employers can either provide insurance to their employees or pay a percentage of payroll toward the cost of the new national plan. Small businesses, which are exempt from this requirement, would receive subsidies if they insure their workers.

Today, 46 million Americans lack health insurance, and 72 million working-age people in the United States report hardship in paying their medical bills. With health-care costs and unemployment on the rise, with employers scaling back on health benefits for workers and with Americans postponing medical care as a result, significant consequences could be lost productivity due to illness, increases in hospitalization, and premature death.

This is unacceptable in a country that has some of the most sophisticated, cutting-edge medical treatments in the world as well as the tools to prevent disease in the first place. Mr. McCain and Mr. Obama have proposed dramatically different roadmaps for health-care reform.

With so much at stake on Nov. 4, we need a president who will write a prescription to heal our ailing health-care system and economy, ensuring a healthier and more prosperous future for us all.

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