



The Council for Affordable Health Insurance's ISSUES & ANSWERS

Solutions for Today's Health Policy Challenges

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2008 Presidential Candidates At-a-Glance

Since last August, the Council for Affordable Health Insurance (CAHI) has tracked all of the presidential candidates' health care reform proposals. While some of them have provided more detail than others, most still only have outlines. This checklist summarizes CAHI's larger presidential document, which can be found at www.cahi.org.

While this document reflects what the candidates have said they want to do, there are issues that some candidates have yet to address. For example, Senator Hillary Clinton has stated that she will not allow health insurers to refuse an applicant (known as guaranteed issue), nor will they be allowed to charge a person with a serious medical condition more than a healthy person (known as community rating). We believe that, based on their general discussion of reform, Senator Barack Obama will include community rating in his proposal, but he has not so stated. So that box is not checked under his plan, although we fully expect it to be in the future. On the opposite page you will find brief descriptions of the proposals mentioned below.

Major Presidential Candidates' Health Reform Proposals At-a-Glance								
	Clinton	Edwards*	Giuliani*	Huckabee*	McCain	Obama	Paul*	Romney*
Employer Mandate	✓	✓				✓		
Individual Mandate	✓	✓						
Child Mandate						✓		
Individual Tax Subsidy	✓		✓	✓	✓			✓
Business Tax Subsidy	✓							
Expands Government Programs	✓	✓				✓		
Promotes Preventive Care	✓	✓	✓	✓	✓	✓	✓	✓
Malpractice Reform		✓	✓	✓	✓	✓		✓
Guaranteed Issue	✓					✓		
Community Rating	✓							
Promotes Price Transparency			✓		✓			✓
Promotes Consumer Driven Health Insurance			✓	✓	✓			✓
Requires Insurer Minimum Loss Ratio	✓	✓						
Pharmaceutical Price Controls	✓	✓	✓		✓	✓	✓	
Bans Smoking in Public	✓	✓		✓				
Expands State Flexibility and/or Block Grants for Health Programs			✓	✓	✓	✓		✓
Health Savings Accounts			✓	✓	✓			✓
Electronic Medical Record Keeping Standards	✓		✓	✓	✓	✓		✓
Expands Community Health Centers					✓			
Purchasing Pools		✓						
Purchase Health Insurance Across State Lines			✓		✓			
Long Term Care Reform	✓			✓				

*Although they have withdrawn their candidacies, we have kept these individuals on the table for comparative purposes.

Community Rating. Insurance is usually priced to reflect the relative amount of risk an applicant brings to the pool. Community rating is a price-control mechanism that limits the ability of a health insurer to vary prices based on the risk — e.g., age, lifestyle, health and gender factors — an applicant brings to the pool (which is regularly done in other types of insurance such as life insurance). Modified community rating usually allows some demographic factors, but does not allow rating based on health status or claims experience.

Consumer Driven Health Insurance Market. Brings consumers into the health care decision-making process, rather than relying on employers or some other third party payer. Uses options such as Health Savings Accounts or Health Reimbursement Arrangements, in conjunction with high-deductible health insurance.

Electronic Medical Record Keeping/Standards. Encourages greater utilization of computerized record keeping and investing in information technology (IT) in the hope of reducing medical errors and costs and improving efficiency.

Expanding Government-Run Health Care Programs. Relies on expanded use of certain government-run health care programs such as the Federal Employees Health Benefits Program (FEHBP), Medicaid, Medicare, and the State Children’s Health Insurance Program (SCHIP).

Expanding Community Health Centers. Community health centers provide low-income and uninsured populations with a place to get care, rather than going to the public hospital.

Guaranteed Issue. Requires insurers to accept all applicants regardless of their health status. While the group market (i.e., employer-provided coverage, as well as Medicare and Medicaid) is guaranteed issue, in most states insurers are still allowed to decline coverage in the “individual market” (i.e., individuals buy their own policies). Guaranteed issue encourages people to wait until they are sick, which leads to “adverse selection,” in which a pool gets a disproportionate number of sick people.

Health Savings Accounts (HSAs). Tax-free personal savings accounts that are used to pay for qualified medical expenses.

Long-Term Care Reform. Long-term care refers to those — usually the elderly and disabled — who need care over an extended period of time.

Malpractice Reform. Refers to reform of the medical liability system, including caps on noneconomic damages and sanctioning attorneys who repeatedly file frivolous claims.

Mandated Coverage (Employer, Individual or Child). An individual (or child) mandate requires all individuals (or children) to have health insurance. An employer mandate is a requirement that an employer purchase health insurance or pay a penalty in the form of an additional fee or tax (often referred to as “pay or play”).

Minimum Loss Ratio. A minimum loss ratio requires health insurers to spend a certain minimum — say, 75 percent — of every pre-

mium dollar on patient care. Thus loss ratios are, in effect, price controls.

Pharmaceutical Pricing Reform. An effort to address the current method for pricing pharmaceuticals in the hope of controlling their costs. One proposal is to allow the federal government to negotiate prices directly with pharmaceutical companies.

Preventive Care. The effort to catch or treat medical conditions before they become serious, or promote healthier lifestyles. While some candidates encourage more preventive care, others plan to be more aggressive, such as banning smoking in public places or mandating that everyone receive preventive care.

Price Transparency. Refers to the effort to get health care providers and insurers to be more open about the prices charged as a way to provide patients and consumers with more information.

Purchase Health Insurance Across State Lines. Allows individuals (i.e., not groups) to purchase health insurance plans being regulated by and sold in other states.

Purchasing Pools. Pooling risks is a process used by insurance companies to spread the risk of an expensive event over a large number of people lowering each person’s exposure should the event occur. Some candidates want to create government-organized purchasing pools in the hope of getting lower health insurance prices.

State Block Grants. Provides federal block grants to states to encourage innovation, reduce health costs, enroll eligible uninsured people, and solve adverse selection issues.

Tax Subsidies. Some candidates propose a tax subsidy to individuals (in some cases, low-income individuals), which is intended to pay part or all of the cost of health insurance. Others would give a subsidy to employers to encourage them to provide coverage.

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