Building Blocks to a Healthier Nation

The Aspen Health Stewardship Project Questionnaire
Senator John McCain

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The Aspen Health Stewardship Project (AHSP) was established by The Aspen Institute in the fall of 2007, and as part of its charge, has created this questionnaire, which is intended for candidates to clearly explain their perspective on the American health care system, how they characterize its weaknesses, how they intend to reshape the system and how they plan to sustain their program.

Led by a diverse cross-section of national thought leaders, AHSP's work is an innovative, non-partisan effort to frame a more multi-dimensional health care dialogue by focusing on the long-term, fundamental issues that will need to be addressed in order to fix America's broken health care system. This effort seeks to educate voters about what it will take to achieve true reform. And, ultimately, it calls on the presidential candidates and policy makers to develop plans that will meaningfully address the barriers that are preventing the nation from successfully dealing with health care ? our most pressing domestic problem.

A major premise of this project is that surmounting the many barriers will require changing a culture in health care that is designed to protect and perpetuate the status quo. The current system makes it difficult, if not impossible, for Americans to be thoughtful, active and responsible stewards of their overall health. Cultural change also will require a shift in the focus of the public dialogue. Only by reframing the health care debate from one focused on the symptoms of the country's broken system to one focused on causes, can the country have a more substantive discourse about the stewardship role each of us play in creating a healthier America.

To help us evaluate your proposals and their feasibility, please answer each question in as much detail as possible and return the completed questionnaire by March 15 to Michelle McMurry, project director, at michelle.mcmurry@aspeninstitute.org. All responses and our findings will be published and otherwise shared in a public forum. If you choose not to answer, we will use public statements and campaign documents to infer your position. If you have any questions, please contact Michelle McMurry (202/550-8830) or Noah Bartolucci (202/736-2535) at the Aspen Institute.

Thank you for participating in this important process.

Question #1

The United States spends more than any other nation on health care, both per capita and as a percentage of gross domestic product. Even so, in a recent study of 18 leading industrialized nations, the United States finished dead last for the number of deaths that could have been prevented through effective health care. **What three fundamental aspects of the country's health care financing and delivery model would you seek to change to create a more sustainable, just, and effective system?**

First, we must personally do everything we can to prevent expensive, chronic diseases. Our rights in this country are protected by our personal sense of responsibility for our own well being. Cases of diabetes are going up, not only in the baby boom generation, but among younger Americans obesity, diabetes and high blood pressure are all on the rise.

The best treatment is early treatment. The best care is preventative care. And by far the best prescription for good health is to steer clear of high-risk behaviors. The most obvious case of all is smoking cigarettes, which still accounts for so much avoidable disease. People make their own choices in this country, but we in government have responsibilities and choices of our own. Most smokers would love to quit but find it hard to do so. We can improve lives and reduce chronic disease through smoking cessation programs. I will work with business and insurance companies to promote the availability and use of these programs.

Smoking is just one cause of chronic diseases that could be avoided or better managed, and the national resources that could be saved by a greater emphasis on preventative care. Chronic conditions -- such as cancer, heart disease, high blood pressure, diabetes and asthma -- account for three-quarters of the nation's annual health-care bill. In so many cases this suffering could be averted by early testing and screening, as in the case of colon and breast cancers. Diabetes and heart disease rates are also increasing today with the rise of obesity in the United States, even among children and teenagers. We need to create a "next generation" of chronic disease prevention, early intervention, new treatment models and public health infrastructure. We need to use technology to share information on "best practices" in health care so every physician is up-to-date. We need to adopt new treatment programs and financial incentives to adopt "health habits" for those with the most common conditions such as diabetes and obesity that will improve their quality of life and reduce the costs of their treatment.

Second, we also know from experience that coordinated care -- providers collaborating to produce the best health outcome -- offers better quality and can cost less. We should pay a single bill for high-quality disease care, not an endless series of bills for pre-surgical tests and visits, hospitalization and surgery, and follow-up tests, drugs and office visits. Paying for coordinated care means that every single provider is now united on being responsive to the needs of a single person: the patient. Health information technology will flourish because the market will demand it. In the same way, clinics, hospitals, doctors, medical technology producers, drug companies and every other provider of health care must be accountable to their patients and their transactions transparent. Americans should have access to information about the performance and safety records of doctors and other health care providers and the quality measures they use. Families, insurance companies, the government -- whoever is paying the bill -- must understand exactly what their care costs and the outcome they received.

Finally, a reformed system must empower individuals to own and control their insurance and make their own health-care choices. Your plan would be yours and your family's health-care plan, and yours to keep. This portability will put patient's in charge of their health care. Insurance should be innovative, moving from job to home, job to job, and providing multi-year coverage.

In order to accomplish this, Americans need new choices beyond those offered in employment-based coverage. Americans want a system built so that wherever you go and wherever you work, your health plan goes with you. And there is a very straightforward way to achieve this.

Under current law, the federal government gives a tax benefit when employers provide health-insurance coverage to American workers and their families. This benefit doesn't cover the total cost of the health plan, and in reality each worker and family absorbs the rest of the cost in lower wages and diminished benefits. But it provides essential support for insurance coverage. Many workers are perfectly content with this arrangement, and under my reform plan they would be able to keep that coverage. Their employer-provided health plans would be largely untouched and unchanged.

But for every American who wanted it, another option would be available: Every year, they would receive a tax credit directly, with the same cash value of the credits for employees in big companies, in a small business, or self-employed. You simply choose the insurance provider that suits you best. By mail or online, you would then inform the government of your selection. And the money to help pay for your health care would be sent straight to that insurance provider. The health plan you chose would be as good as any that an employer could choose for you. It would be yours and your family's health-care plan, and yours to keep.

The value of that credit -- 2,500 dollars for individuals, 5,000 dollars for families -- would also be enhanced by the greater competition this reform would help create among insurance companies. Millions of Americans would be making their own health-care choices again. Insurance companies could no longer take your business for granted, offering narrow plans with escalating costs. It would help change the whole dynamic of the current system, putting individuals and families back in charge, and forcing companies to respond with better service at lower cost.

Question #2

Overall do you feel that the United States spends too much or too little on health care and why?

The critical problem with our nation's health care spending is not the amount of spending but rather that our system is riddled with inefficiencies. These inefficiencies increase the costs to the system and all too often create perverse incentives in the delivery of care that discourage the best care.

Government programs such as Medicare and Medicaid should lead the way in health care reforms that improve quality and lower costs. Like most of our system, Medicare reimbursement now rewards institutions and clinicians who provide more and more complex services. We need to change the way providers are paid to focus their attention more on chronic disease and

managing their treatment. This is the most important care and expense for an aging population. And in a system that rewards quality, Medicare should not pay for preventable medical errors.

Question #3

When people talk about the need for health insurance, they often neglect to identify the real problem: improving the health of Americans. And health insurance rates alone do not tell us much about insurance type, affordability or quality of care. **Beyond the number of people with health insurance, how will you define and measure the success of your health proposals and their impact on health outcomes?**

My plan focuses on curbing the growth rate of health care costs and reducing the incidence of expensive chronic disease.

Controlling health care costs will take fundamental change – nothing short of a complete reform of the culture of our health system and the way we pay for it will suffice.

First, we need to inject competition into all aspects of health care—in insurance, in procedures, in cost of treatments—to turn innovation loose on the 16 percent of our economy that is health care the same way it works in the rest.

Second, we need to do a better job of taking care of our citizens with chronic disease, which make up 70 percent of health care costs—and provide better care , which, in turn, would reduce costs. We need to reduce the dependency for hospitals and nursing homes as first-line options, and support innovative research on the care and cure of chronic illness.

Finally, we must also renew and increase personal responsibility for our health. Many of our chronic diseases are caused or aggravated by our behavior. Obesity in the young and old contributes to diabetes, heart disease and high blood pressure. Providing tools for individuals which encourage getting screening exams can lead to early diagnoses and often times complete cures. In addition, following the appropriate treatments after we are diagnosed can improve health, extend life, and ultimately lower health care costs.

Question #4

While the country has a clear interest in improving the health of its citizens, the incentives built into the system do not seem to promote that desired outcome. For instance, physicians are sometimes reimbursed in a manner that rewards the volume of care delivered without regard for quality. **How would your proposals realign incentives to change how insurers, providers and patients view their respective rights and accountabilities for health?**

As described in the prior question, our plan provides a tax credit that puts people in charge of their health care dollars. This is a fundamental realignment.

When an American family controls its own health care financing and, has a wide variety of low-cost, innovative choices, insurers will be more accountable since patients can more readily vote with their feet and select a more valued competitor.

Additionally, it is critical to revive our sense of personal responsibility. We must personally do everything we can to prevent expensive, chronic diseases. Childhood obesity, diabetes and high blood pressure are all on the rise. We must again teach our children about health, nutrition and exercise — vital life information. Public health initiatives must be undertaken with all our citizens to stem the growing epidemic of obesity and diabetes, and to deter smoking.

Finally, much of the reform will come by changing the way Medicare pays doctors and hospitals. We need to move away from a payment for every service a physician provides and every aspirin a hospital gives you toward rewarding healthy outcomes in patients. Doctors are presently not paid for time spent doing diagnosis, coordination of care, and consultation with patients—that is wrong. Hospitals are paid even when they make mistakes—that needs to change.

Question #5

Creating value in health care is of paramount importance, however, in our current system misaligned economic incentives thwart efforts to achieve this end. **Please discuss how your plan will create and measure value to ensure it is a vital component in America's health care system. Be certain to include specific metrics and case examples.**

The reforms would include efforts to develop incentives for collecting quality of care data through a reinvigorated effort with health IT. The incentives would be directed to providing as close to real time information on quality of care as possible using existing health data infrastructures and exchanges. One example would be to expand federal efforts to collect laboratory results data for a critical set of tests to track health improvements in patients with diabetes and heart disease as part of the claims submission process for federally sponsored health care services. An an illustration to align incentives, new health plan contractors for Department of Defense TRICARE health insurance would be required to outline their plans to collect this type of data as part of the federal request for proposal process. Similar contracting models could be used for Part B carriers as well. In the case of diabetes, new information would be generated to identify whether a patient's set of physician seen to help with the disease are associated with good maintenance of the condition. Such incentives could demonstrate that endocrinologists have excellent value being 'primary care doctors of diabetes'.

Establishing incentives for new routinely collected real-time metrics to identify high quality care is a critical step towards a high performance health system that would get the best value back for public and private investment in the health care system.

Question #6

It is thought that as much as 40 percent of health care costs are related to behavior, such as smoking, eating an unhealthy diet, lack of exercise and alcohol consumption. At the same time, public health experts have shown that these choices are influenced by policy, the accessibility of healthy options, and corporate and social marketing. **How will you encourage healthy choices? How will you shape policy and incentives to encourage businesses to make choices that emphasize early health, wellness and prevention among their employees and customers?**

Our nation is facing a continued increase in chronic diseases and this rise is taking a tremendous toll on our citizens, communities and health care system. Chronic diseases represent 7 out of 10

deaths in our country and account for the majority of health care costs. Chronic disease is the primary driver of health care costs accounting for more than 70 percent of the estimated $2.4 trillion spent on health care each year. It is an even larger expense in public health programs – over 96 percent of Medicare and 83 percent of Medicaid health costs are attributable to chronic diseases. According to the CDC we must address the exorbitant costs associated with chronic disease if we want to rein in our nation's rising health care costs.

Numerous states and private companies have been developing innovative disease management programs for patients with chronic conditions. The programs are different models using different approaches but their shared goal is to help patients more effectively manage their health condition(s).

Prevention and maintenance should be included as part of the basic qualified insurance proposals under "the plan" so that when individuals are shopping with their tax credit for health coverage they are able to find an affordable plan that offers access to important preventable measures. In addition, wellness plans should be encouraged that reward and encourage healthy behavior. Plans should be allowed greater flexibility for providing financial rewards including reduced premiums for healthy lifestyle behavior as well as surcharges for individuals who continue to elect proven unhealthy lifestyle behaviors.

Financial incentives are a proven mechanism for driving behavior. Thus, a mechanism must be implemented that rewards decisions and behavior that help prevent or maintain chronic diseases. Behavioral changes will lead to health care costs going down, and patients should share in those savings not just bureaucrats or insurance companies. Thus, there needs to be a mechanism put in place to ensure that the savings will be shared with patients either through reduced premiums or additional benefits when an individual and/or family makes changes in their behavior that results in overall savings in their health care expenditures.

For example, Safeway has implemented an employee friendly, behavior driven plan for non-union employees (and is now negotiating many of these same concepts into union contracts) with prevention and behavior as core elements. Safeway's healthy incentives program encourages employees to live healthier lives and be more responsible health care consumers. The plan provides financial incentives through health reimbursement and flexible spending accounts. It also fully covers an array of preventive care such as physicals, cancer screenings, and well-baby care. The results: Employee costs are down. Safeway has accomplished all this while reducing total health care costs for Safeway and its employees by 12 percent. Employees who have enrolled in the new plan have seen their per capita costs (premiums plus out-of-pocket) reduced by 25 percent to 34 percent.

Question #7

Simply having access to health care is not enough to achieve equity in health outcomes. Income level, race, gender and location are just a few of the factors that contribute to the health of Americans. For example, women are less likely to receive the cardiac care that they need and on average have outcomes worse than men. **How would your health care system promote greater**

equity of health outcomes among men and women of different races, income levels and geographic locales including, but not limited to, access to traditional insurance?

Access to insurance is the gateway to better health care. Providing a fair, equal credit to all is an important step. The demand for better outcomes and equity between men and women will be heard more loudly from patients who now can drive the market and own their health care choices. Patients who are failed by the current inefficient health system would be able to use their dollars to "shop" for the best care that meets their needs. My health care system will be transparent and inequities and disparities on quality will be revealed to consumers. Arming consumers with information and purchasing power will create a more competitive market place that will not tolerate inefficient and poor outcomes.

Question #8

With the right information at their disposal, consumers could take greater charge of their health, wellbeing, and illness. **To that end, what will you do to ensure that health information is readily accessible, meaningful, and accurate so that it helps people make decisions and take action?**

My plan demands transparency. I will make more information on treatment options public and require transparency by providers regarding medical outcomes, quality of care, costs, and prices. This effort combined with a tax credit will create a more competitive market place and give patients with new purchasing power the tools they need to demand the best possible care. I will work to facilitate the development of national standards for measuring and recording treatments and outcomes.

Question #9

For years, health care technology has been developed for use by doctors and other health care providers. Still, we lack wide scale use of electronic prescribing, electronic medical records and other important health information technology tools. **What specific incentives would you favor to enhance the adoption of health information technology? What will you do to encourage free and secure data sharing among providers for the benefit of patients?**

HIT is essential to the success of my proposal. It amazes me a health economy of over two trillion dollars that epitomizes advanced technology has an underdeveloped HIT infrastructure. Any national or global retail chain has invested in and reaped enormous rewards from IT investment. What needs to be done to take health care to the next level? We need to transform the practice of medicine to reward coordination that supports the use of available health IT wherever possible, and that gives patients and providers the data they need to get the best possible value of care delivered. Today, much of medical records data is being recorded digitally. My proposal provides payment reforms for federal health programs and others to integrate medical, pharmacy, and service data on as near a real time basis for a given patient at any location. Physicians and patients need access to previous drug histories, medical test results and surgical notes to know how to proceed on treatment pathway to ensure the best possible outcome. There will be a role for government in developing standards and supportive regulation, but the bulk of ongoing investment will remain a private sector activity, as it is in the remainder of the economy. Finally my plan emphasizes changing the way we pay for health care. By paying

for coordinated care and encouraging business models, such as walk-in clinics, we provide an incentive for the demand for electronic health records and the adoption of HIT.

Question #10

Given the rapid changes in how technology is used to deliver care and how biomedical breakthroughs are used to treat and predict disease, health care will need to be provided in innovative ways. **What will you do to encourage innovation in biomedical research, the science of prevention and the delivery of care? How will you promote the use of these advanced technologies to improve health?**

We have some of the best medical care possible, in part due to our innovative medical researchers around the nation. It is important that appropriate funding for biomedical research be provided to ensure that innovative technologies continue to have a mechanism for entering the marketplace. In order for health care costs to be maintained, reimbursement for technologies based on outcomes will provide incentives for manufacturers to advance technology that improves quality of care rather than reward technology that does not. Also, to ensure transparency, all relevant medical and scientific information regarding new technologies should be made available for public review.

As biomedicine evolves, I will work to ensure that safe and effective treatments are allowed to reach patients without unnecessary bureaucratic hassles or delays. My health care reform plan will shift from a climate in which we simply pay for procedures performed on a patient to one in which payment is made for a patient health outcomes. This will help reduce costs for everyone by eliminating unnecessary testing and procedures and free up money and resources that can be used to encourage medical researchers to further improve the efficiency and outcomes of procedures. Additionally, my health care reform plan will provide incentives to patients and their doctors that emphasize preventative behaviors, such as preventing obesity or encouraging the cessation of tobacco products.

Question #11

The range of health professionals needed is changing. Some groups have projected shortages in essential health providers ranging from nurses and primary care physicians to allied health professionals. **What would you do to encourage entry into and retention within these essential health fields?**

Taxpayers currently assist in paying for medical training in several ways—through Medicare payments, through loan forgiveness for practicing in certain regions, and in providing grants for medical research. Another way is to provide incentives to change the way we pay for Medicare. If we transform Medicare to pay more for diagnoses and care coordination, we will improve the incentives for physicians to choose primary care practices over specialty care. Similarly, we can also allow higher payments under Medicare for more non-physician providers of health care, such as physician assistants and nurse practitioners.

Question #12

Do you feel that portability of health insurance is an important part of improving health? If so, how would you structure a portable health insurance system to make it affordable and effective?

Yes. Portability is a critical and a distinguishing element of my reform proposal. My reform to the tax code eliminates the bias toward employer-sponsored health insurance, and provides all individuals with a $2,500 tax credit ($5,000 for families) to increase incentives for insurance coverage.

Families should be able to purchase health insurance nationwide, across state lines, to maximize their choices, and heighten competition for their business that will eliminate excess overhead, administrative, and excessive compensation costs from the system.

Insurance should be innovative, moving from job to home, job to job, and providing multi-year coverage. In addition to being portable, this also will make patients the center of care and give them a larger role in both prevention and care, putting more decisions and responsibility in their hands.

To make these reforms effective we address the significant weaknesses in the existing market to address worries that Americans with pre-existing conditions could still be denied insurance. Congress took the important step of providing some protection against the exclusion of pre-existing conditions in the Health Insurance Portability and Accountability Act in 1996 and nothing in my reforms will change the fact that if you remain employed and insured you will build protection against the cost of treating any pre-existing condition.

Even so, those without prior group coverage and those with pre-existing conditions do have the most difficulty on the individual market, and we need to make sure they get the high-quality coverage they need. We will work tirelessly to address the problem. The first step will be the creation of a Guaranteed Access Plan or GAP that would reflect the best experience of the states. This plan that will be established through collaboration and consent of states will have elements that could include federal assistance to a nonprofit GAP that operated under the direction of a board that include all stakeholders groups -- legislators, insurers, business and medical community representatives, and, most importantly, patients. The board would contract with insurers to cover patients who have been denied insurance and could join with other state plans to enlarge pools and lower overhead costs. There would be reasonable limits on premiums, and assistance would be available for Americans below a certain income level.

This cooperation among states in the purchase of insurance would also be a crucial step in ridding the market of both needless and costly regulations, and the dominance in the market of only a few insurance companies. Right now, there is a different health insurance market for every state. Each one has its own rules and restrictions, and often guarantees inadequate competition among insurance companies. Often these circumstances prevent the best companies, with the best plans and lowest prices, from making their product available to any American who

wants it. We need to break down these barriers to competition, innovation and excellence, with the goal of establishing a national market to make the best practices and lowest prices available to every person in every state.

Question #13

There is a great deal of evidence that policy decisions in areas such as education, taxes, environment and labor can have as much of an impact on people's health as policy decisions that address health directly. **How will you measure the health impact of your non-health policy decisions?**

Health impact can be measured in many ways. For example, patients with chronic disease will have an expected productivity growth because their symptoms will be under control, thereby allowing them to return to work, school, activities, etc. Lower health care costs will provide an increase in expendable income for taxpayers, which provides a boost to the economy.