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2008 Presidential Candidate Health Care Proposals: Side-by-Side Summary

This side-by-side comparison of the candidates' positions on health care was prepared by the Kaiser Family Foundation with the assistance of Health Policy Alternatives, Inc. and is based on information appearing on the candidates' websites as supplemented by information from candidate speeches, the campaign debates and news reports. The sources of information are identified for each candidate's summary (with links to the Internet). The comparison highlights information on the candidates' positions related to access to health care coverage, cost containment, improving the quality of care and financing. Information will be updated regularly as the campaign unfolds.

	John McCain	Hillary Clinton	Barack Obama
Party Affiliation	• Republican	• Democrat	• Democrat
Stated goal	• Provide access to affordable health care for all by paying only for quality health care, having insurance choices that are diverse and responsive to individual needs, and encouraging personal responsibility.	• Affordable and high-quality universal coverage through a mix of private and public insurance.	• Affordable and high-quality universal coverage through mix of private and expanded public insurance.
Date plan announced	• October 11, 2007	• May 24, 2007 for cost, August 23, 2007 for quality, and September 17, 2007 for coverage	• May 29, 2007
Overall approach to expanding access to coverage	• Remove the favorable tax treatment of employer-sponsored insurance and provide a tax credit to all individuals and families to increase incentives for insurance coverage; promote insurance competition; and contain costs through payment changes to providers, tort reform and other measures.	• Every American required to have coverage, with income-related tax subsidies available to make coverage affordable. Private and public plan options would be available to individuals through a new Health Choices Menu operated through the Federal Employee Health Benefits Program (FEHBP). Coverage through employers and public programs like Medicare continues.	• Require all children to have health insurance, and employers to offer employee health benefits or contribute to the cost of the new public program. Create a new public plan, and expand Medicaid and SCHIP. Create the National health Insurance Exchange through which small businesses and individuals without access to other public programs or employer-based coverage could enroll in the new public plan or in approved private plans.
A. Requirement to obtain or offer coverage	• No provision. Opposes mandates for coverage.	• Individuals must have health insurance coverage. • Large employers must provide an employee plan or contribute to the cost of coverage. • Most small employers are not required to offer or contribute to coverage costs but are provided incentives to do so.	• Require all children to have health insurance. • Require employers to offer "meaningful" coverage or contribute a percentage of payroll toward the costs of the public plan.
B. Expansion of public programs	• Give veterans ability to use their VA benefits to pay for timely high quality care from providers in the best locations.	• Medicaid and SCHIP safety net strengthened "for the most vulnerable populations" to plug gaps, such as lack of coverage for poor, childless adults.	• Expand Medicaid and SCHIP. • Create a new public plan so that small businesses and individuals without access to other public programs or employer-based coverage could purchase insurance. Plan coverage would offer comprehensive benefits similar to those available through FEHBP. • Coverage under the new public plan would be portable.
C. Premium subsidies to individuals	• Provide a tax credit of $2,500 (individuals) and $5,000 (families) to all individuals and families for the purchase of insurance. • Require any state receiving Medicaid to develop a financial "risk adjustment" bonus for high-cost and low-income families to supplement tax credits and Medicaid funds.	• Refundable tax credit to help working families pay for coverage. • The value of the credit would be set to ensure that premiums could not exceed a fixed percentage of family income, while maintaining price consciousness among consumers.	• Make federal income-related subsidies available to help individuals buy the new public plan or other qualified insurance.

D. Premium subsidies to employers	• No provision.	• Refundable small business tax credit to provide an incentive to offer employee coverage. (High-income small businesses would not qualify.) • A "retiree health legacy initiative" would provide qualifying public and private sector employers offering retiree health plans with a tax credit to offset catastrophic health expenditures, "as long as savings are dedicated to workers and competitiveness."	• Federal subsidies would partially reimburse employers for their catastrophic health care costs if the employers guaranteed that premium savings would be used to reduce employee premiums.
E. Tax changes related to health insurance	• Reform the tax code to eliminate bias toward employer-sponsored health insurance. • Allow individuals owning "innovative multi-year policies" that cost less than the credit to deposit the excess into expanded HSAs.	• Employer-provided health premiums would continue to be excluded from income taxes except for "the high-end portion of very generous plans for those making over $250,000."	• No provision.
F. Creation of insurance pooling mechanisms	• Allow association plans that meet standards and certification requirements (see item "G").	• New Health Choices Menu would be offered to all Americans through the FEHBP, offering the same private plan options available to members of Congress along with a public plan option similar to Medicare. • Benefits would be at least as good as an FEHBP benchmark plan, including mental health parity and usually dental coverage. • Employers could buy coverage through the new Health Choices Menu on behalf of workers or early retirees.	• Create a National Health Insurance Exchange through which individuals could purchase the public plan or qualified private insurance plans. • Require participating insurers to: offer coverage on a guaranteed issue basis; charge a fair and stable premium that is not rated on the basis of health status, and meet standards for quality and efficiency. • Require plans of participating insurers to offer coverage at least as generous as the new public plan. • Exchange would evaluate plans and make differences among them transparent.
G. Changes to private insurance	• Promote competition and individual choice of insurance by allowing insurance to be sold across state lines. • Encourage innovative multi-year insurance products. • Allow small businesses and self-employed to purchase insurance through any organization or association. Such entities would have to meet rigorous standards and certification. Coverage would be portable and would bridge the time between retirement and Medicare eligibility.	• Require private insurers to provide coverage on a guaranteed issue and guaranteed renewable basis. • Prohibit insurers from "carving out benefits" or charging higher rates to people with health problems or who are at risk of developing them. Limit premium variations on basis of age, gender or occupation. • Require insurers to meet minimum loss ratio (including limiting marketing costs) and "ensure high value for every premium dollar." • Require all insurers that participate in federal programs to cover preventive services based on recommendations of US Prevention Services Task Force and promote chronic disease management.	• Prohibit insurers from denying coverage based on pre-existing conditions. • Children up to age 25 could continue family coverage through their parents' plan. • In market areas where there is not enough competition, require insurers to pay out a "reasonable share" of premiums on patient care benefits. • Prevent insurers from abusing monopoly power through unjustified price increases. • Require health plans to disclose the percentage of their premiums that actually goes to paying for patient care as opposed to administrative costs.

H. State flexibility	• Give states flexibility and encouragement to experiment with:
	  • Use of private insurance and risk-adjusted payments per episode under Medicaid;
	  • Alternative forms of access, insurance policies and providers and different licensing schemes for providers.
		• State option to band together to offer same type of choices in a region of the country as Health Choices Menu.	• Maintain existing state health reform plans if they meet minimum standards of the national plan.

Cost containment	• Adopt malpractice reforms that limit frivolous lawsuits and excessive damages and provide safe harbors for practice within clinical guidelines and safety protocols.
	• Promote competition among providers by paying them only for quality and promote use of alternative providers (e.g., nurse practitioners) and treatment settings (e.g., walk-in clinics in retain outlets).
	• Provide for vigorous enforcement of federal protections against collusion, unfair business and consumer practices.
	• Invest in prevention and care of chronic illnesses.
	• Increase competition and reduce administrative overhead costs of private
		• Proposes a 7-Step Strategy to Reduce Health Costs:
		  • A national prevention initiative;
		  • A "paperless" health information technology system;
		  • Chronic care coordination to improve outcomes;
		  • Elimination of insurance discrimination to help reduce administrative costs;
		  • An independent "Best Practices Institute" to help consumers and other purchasers and plans make the right care choices;
		  • "Smart purchasing" initiatives to
			• Invest $50 billion toward adoption of electronic medical records and other health information technology.
			• Promote insurer competition through the national Health Insurance Exchange and by regulating the portion of health plan premiums that must be paid out in benefits.
			• Improve prevention and management of chronic conditions.
			• Initiate policies to promote generic drugs, allow drug reimportation, and repeal the ban on direct price negotiation between Medicare and drug companies.
			• Pay Medicare Advantage plans the same as regular (traditional) Medicare.

	insurance by permitting sale of nationwide insurance (i.e., not regulated by the states). • Require drug companies to reveal the price of their drugs; allow re-importation of drugs; and encourage faster introduction of generics and biologics. • Provide consumers with more information on treatment options and require provider transparency regarding medical outcomes.	constrain prescription drug and managed care expenditures (permit the Secretary to negotiate prices for Medicare prescription drugs, limit direct-to-consumer advertising of prescription drugs and change patent laws to increase the availability of generic drugs; and reduce payments to Medicare Advantage plans to create more level reimbursement with traditional Medicare); and • Linking medical error disclosure with physician liability protection.	• Require hospitals and providers to publicly report measures of health care costs and quality. • Promote and strengthen public health and prevention. • Reform medical malpractice while preserving patient rights by strengthening antitrust laws and promoting new models for addressing physician errors.
Improving quality/health system performance	• Change provider payment to encourage coordinated care (eg., pay a single bill for high quality heart care rather than individual services). • Provide Medicare payments for diagnosis, prevention, and care coordination and bar payments for preventable medical errors or mismanagement. • Require transparency by providers with regard to medical outcomes, quality of care, costs, and prices. • Establish national standards for measuring and recording treatments and outcomes. • Promote deployment of HIT. • Where cost effective, employ telemedicine and clinics in rural and underserved areas.	• Provide federal recognition to "physician-driven" maintenance of certificate (MOC) programs that promote continuing education about latest advances in care and procedures. • Invest in independent private-public, consensus-based organizations to certify performance for enhanced reimbursement; identify gaps in existing quality measures; set priorities for development of new quality measures; and disseminate most effective protocols and treatments through a Best Practices Institute. • Fund improvement of web-based tools to provide consumers with user-friendly information on provider performance and development of tools to promote informed patient choice about treatment options. • "Incentivize" quality through increased federal payments (e.g., Medicare and FEHBP) for excellence in care and for innovative care delivery systems. • Prohibit payment of "never events" (such as preventable infections) in FEHBP and other federal programs.	• Support an independent institute to guide comparative effectiveness reviews and required reporting of preventable errors and other patient safety efforts. • Reward provider performance through the National Health Insurance Exchange and other public programs. • Address health disparities, promote preventive care and chronic disease management, and require quality and price transparency from providers and health plans. • Require health plans to collect, analyze and report health care quality data for disparity populations, and hold plans accountable.
Other investments	• Support federal research related to science-based care and cure of chronic disease. • Promote education of children about health, nutrition, and exercise. • Support public health initiatives to stem obesity and diabetes and deter smoking.	• Provide federal funding to address nursing though new training and mentoring programs, linking nurse education and quality and encourage diversity and cultural competency in healthcare workforce. • Support initiatives to reduce health care disparities, including funding for more accurate data collection, development of quality measures targeted at reducing racial and ethnic disparities, and prioritizing the development of medical homes designed to improve quality for minorities. • Strengthen consumer protections for long-term care insurance.	• Expand funding to improve the primary care provider and public health practitioner workforce, including loan repayments, improved reimbursement, and training grants. • Support preventive health strategies including initiatives in the workplace, schools, and communities. • Support strategies to improve the public health infrastructure and disaster preparedness at the state and local level.
Financing	• Not yet specified although indicates that cost containment measures would make insurance more affordable.	• Campaign estimates cost to be $110 billion a year when fully phased in. $35 billion to be financed by savings from quality and modernization initiatives. Additional $21 billion in savings from Medicare private plans, recapturing Medicare and Medicaid payments to hospitals for the uninsured, and constraining prescription drug costs. Also $54 billion in revenue from limiting the tax exclusion for employer-paid health insurance and discontinuing tax cuts for those with incomes over $250,000.	• Campaign estimates cost to be between $50 to $65 billion a year when fully phased in. Expects much of the financing to come from savings within the health care system. Additional revenue to come from discontinuing tax cuts for those with incomes over $250,000.

Candidate	Source
John McCain	• **http://www.johnmccain.com/Informing/Issues/19ba2f1c-c03f-4ac2-8cd5-5cf2edb527cf.htm** - October 11, 2007

Hillary Clinton	• **http://www.hillaryclinton.com/feature/healthcareplan/summary.aspx** - September 17, 2007 • **http://www.kaisernetwork.org/daily_reports/health2008dr.cfm?DR_ID=47577** - September 18, 2007 • **http://www.hillaryclinton.com/feature/healthcareplan/americanhealthchoicesplan.pdf** - September 21, 2007
Barack Obama	• **http://www.barackobama.com/issues/healthcare/** - September 5, 2007 • **http://www.health08.org/candidates/obama.cfm** - September 5, 2007 • **http://www.barackobama.com/pdf/Obama08_HealthcareFAQ.pdf** - September 19, 2007

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