

# PLATFORM FOR A HEALTHY AMERICA

ASSURING ACCESS TO HEALTH INSURANCE COVERAGE  
AND IMPROVING VALUE AND QUALITY



**The U.S. health care system has many strengths**, but also faces challenges. Health outcomes have improved dramatically in recent decades, accompanied by important medical advances. Yet a large number of Americans remain uninsured, the human and economic costs of avoidable chronic illness continue to grow, affordability needs to be improved, wellness needs to be more strongly emphasized, and the system needs to do more to close recognized quality gaps.

PhRMA supports reforms aimed at providing all Americans with access to affordable health insurance and addressing the burden of disease, health care costs, and quality gaps, so that the U.S. health care system can reach its full and great potential in helping all Americans achieve the best possible health. In order for health reform to succeed, it should address all of these issues.

In 2001, PhRMA's Board of Directors approved **Principles on the Uninsured** to establish a framework for improving access to health insurance coverage for all Americans, and we have also advanced proposals and programs to improve access to care and coverage for millions of uninsured and under-insured Americans.

Specifically, PhRMA developed the **Partnership for Prescription Assistance** program which has helped more than 5 million patients who are uninsured and financially struggling find programs that provide prescription medicines for free or nearly free. We've supported extending high-quality, comprehensive coverage to the millions of children who are



eligible for, but not enrolled in, Medicaid or the State Children's Health Insurance Program (SCHIP) as well as improving outreach and enrollment in Medicare Part D through a broad-based coalition, the **Medicare Rx Education Network**. In addition, as part of a diverse coalition of patients, providers, community organizations, business and labor organizations, and policy experts called the **Partnership to Fight Chronic Disease** (PFCD), PhRMA and its member companies have contributed to a national discussion about the growing prevalence and burden of chronic disease. This coalition is advocating for initiatives aimed at preventing and better managing care for Americans who suffer from chronic conditions, promoting healthy lifestyles and wellness, and reducing health disparities.

PhRMA's proposal — *For A Healthy America* — is offered as a contribution to the national dialogue about how to improve health, health coverage, and affordability. We look forward to discussing these ideas and to engaging others about their ideas as we work toward collaborations and public-private partnerships that can achieve effective solutions.

## EXPANDING COVERAGE

We support providing all Americans with access to high-quality, affordable health insurance coverage, with a focus on private health insurance expansions. PhRMA supports private health insurance expansions as the best way to promote competition, choice, and innovation. Specifically, providing individuals and families a choice between competing private plans — with appropriate rules and consumer protections — holds promise toward delivering a health care system that improves both affordability and access for uninsured and under-insured Americans. We also support initiatives focused on enrolling those already eligible for but not enrolled in existing programs as a practical means of making real progress.

- **Cover the 12 million uninsured Americans already eligible but not enrolled in Medicaid and SCHIP** by providing new federal incentives for states to simplify enrollment, eliminate administrative barriers to care, and establish “express lane” enrollment procedures. These programs should continue to emphasize use of competitive private health plans.
- **Encourage coverage for uninsured workers eligible for but not enrolled in employer-sponsored coverage** through improved use of premium assistance (programs that use Medicaid/SCHIP funds to help make private employer-sponsored coverage more affordable) and allowing employers to auto-enroll their workers into company health plans with an employee opt-out (similar to recently enacted pension reforms).
- **Expand private health insurance coverage** through new refundable tax credits targeted at low-wage, small businesses and providing individual subsidies for low- and moderate-income families to purchase coverage on their own or through new pooling arrangements.

- **Improve the safety net** by supporting states’ efforts to improve access to Medicaid and SCHIP and fill gaps in coverage as well as supporting state efforts to develop new public-private health insurance options to expand access to the uninsured.
- **Promote benefits that meet patients’ needs**, including generic and brand prescription drug coverage. Good coverage of prescription medicines helps support improved health outcomes and productivity and lower hospital and emergency room costs.
- **Preserve consumer choice and enhance competition through new pooling arrangements and insurance reforms** modeled after state health insurance connectors or exchanges. New pooling arrangements — along with mechanisms to guarantee availability of health insurance regardless of health status coupled with incentives to assure that individuals purchase and maintain coverage before it’s needed — hold promise in promoting enhanced choice of private health insurance plans, improved access and affordability, and lower premiums through enhanced pooling of risk.

## IMPROVE AFFORDABILITY, VALUE, AND QUALITY

Achieving greater affordability, value, and quality calls for major initiatives to prevent chronic illness and to provide care more effectively and efficiently when disease cannot be prevented.

Research has documented the growing burden of chronic conditions. Today, nearly 75% of all health care spending goes toward treatment and care for chronic medical conditions, and about one-quarter of the increase in health care spending over the past

two decades is due to the increase in obesity rates alone. Simply put, unless we can implement reforms that prevent and better manage the growing incidence of chronic disease, we will not be able to make progress on controlling health care costs.

- **Reduce obesity through a major public health campaign** equal to the commitment and scale of the campaign that led to dramatic reductions in smoking, with a focus on early intervention targeted at schools and in the community.
- **Promote wellness and healthy lifestyles** by supporting comprehensive employer-sponsored wellness programs that engage employees to take charge of their health care.
- **Improve care coordination and disease management for the millions of Americans who suffer through chronic conditions** by: establishing a new public-private commission to identify and disseminate information about effective care coordination strategies; improving access to comprehensive prevention, early detection, and care coordination in public and private health plans; and encouraging more effective medication therapy management in Medicare.
- **Improve the health and lives of racial and ethnic minority patients by reducing and eliminating health care disparities** through prevention initiatives aimed at populations who disproportionately suffer from chronic conditions, improving “cultural competency” to reduce barriers to care resulting from communication problems, and expanding support for education for underrepresented minorities in health professions. These initiatives hold promise in removing barriers to treatment and care for racial and ethnic minorities.
- **Encourage the use of evidence-based medicine to help close the gap between care known to be effective and care patients receive** through continued development and collection of quality measures and greater adoption of appropriately structured pay-for-performance programs in public and private health insurance plans.
- **Comparative clinical effectiveness research to provide better information to physicians, patients, and other health care decision-makers** with a focus on which treatments and care delivery approaches are most effective and hold the most promise for advancing high-quality care for patients.
- **Widespread adoption of interoperable health information technology**, which can help serve as the foundation for a health care system that moves toward prevention and early intervention, closes the gaps on quality and disparities, and fosters improvements in quality and efficiency.
- **Enhance transparency of quality and cost information** to help engage consumers to make more informed decisions about their health and health care.
- **Accelerate medical advances which are needed to improve lives and address the tremendous cost of conditions that do not yet have effective or optimal treatments** by supporting the Food and Drug Administration’s (FDA) “Critical Path” initiative and increasing federal funding for basic science, which can help lay the foundation for the development of new treatments and cures for many debilitating and chronic conditions.





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