

**Checklist for Health Reform Legislation**

**Necessary:** Must have  
**Desirable:** Should have  
**Oppose:** Cannot have



~~DRAFT~~

<b>Necessary</b>	<b>Desirable</b>	<b>Oppose</b>
<p>1. <b>It solves the problem.</b> Legislation must address all aspects of health to build an individual-centered system that improves personal health, improves the delivery of care, lowers costs, and expands access and coverage.</p>	<p>1. <b>Medicare Centers of Excellence.</b> Use Dartmouth data to identify the highest quality, lowest-cost providers and then incentivize beneficiaries to voluntarily seek them out through shared savings arrangements.</p>	<p>1. <b>Rationing.</b> Consumers should make their own decisions with their own doctors. More choices and higher quality will lower costs and empower consumers—not bureaucrats.</p>
<p>2. <b>Health.</b> Every year 75% of all healthcare spending (\$1.8 trillion per year) goes to the treatment of chronic disease. We need to reward and incentivize personal responsibility, better individual health, wellness, and prevention.</p>	<p>2. <b>Science and investment research.</b> Invest in basic research that leads to new cures and treatments for the leading diseases: diabetes, heart disease, and cancer. Use generational scoring and investment-based budgeting (as opposed to account-based budgeting) to fund research breakthroughs that will delay, better treat, or ultimately prevent disease.</p>	<p>2. <b>Prohibition on using comparative effectiveness research for rationing.</b> We need to know what works and what doesn't work, but treatment decisions must always be made between a doctor and patient.</p>
<p>3. <b>Chronic disease management.</b> Create new models of delivery and new payment incentives that prioritize primary care, chronic disease management, and personal responsibility.</p>	<p>3. <b>Science and investment research: solving Alzheimer's Disease.</b> By 2012, use value-based payments to reimburse providers for at least 20 percent of health and social services for people with dementia and half of these services by 2016.</p>	<p>3. <b>New taxes.</b> There is more than enough money in the current system that can be saved without raising new taxes. We can bring down healthcare costs and save billions of dollars by focusing on the right priorities.</p>
<p>4. <b>Best practices.</b> Use incentives to migrate doctors, hospitals, payers, and patients to adopt tools and treatments that work. (Some estimates are that nearly half of all healthcare spending is wasteful—best practices can move us to providing the highest-quality, lowest-cost care.</p>	<p>4. <b>Nationwide insurance market.</b> Expand access to more affordable health insurance options by allowing individual consumers to purchase health insurance products licensed in other states to expand choice and bolster competition.</p>	<p>4. <b>Government-run insurance or public plan option.</b> Advocates admit that a public plan is the first step toward a single-payer system. Consumer choice is more than a single government plan. Tax credits, open markets, and access to insurance for all will deliver many more choices at lower costs.</p>

<p>5. <b>Pay for value.</b> Move from transaction- and volume-based reimbursement to value- and outcomes-based payment. Eliminate the vast geographic differences in reimbursement. Promote the development and use of primary care and its providers.</p>	<p>5. <b>Undersecretary of Commerce for Health.</b> One office in the federal government should advocate for the industry to ensure that: (1) regulations do not place unwarranted burdens on the industry; (2) foreign governments protect the intellectual property rights of U.S. companies and 3) free and fair access to international markets.</p>	<p>5. <b>Employer pay-or-play mandate.</b> In today's economy businesses need help, not more mandates from Washington. Tax incentives and the ability to collectively organize with others will help, rather than bureaucratic requirements.</p>
<p>6. <b>Consumer's right to know.</b> Release all taxpayer-funded claims information from Medicare, Medicaid, Veterans Affairs, and FEHBP for all providers, suppliers, and health insurers that do business with the federal government.</p>	<p>6. <b>Litigation Reform.</b> Adopt reforms similar to the State of Texas which include appropriate limits on non-economic damages and reforms related to product liability, punitive damages, and joint and several liability. Alternative avenues of dispute resolution should be created such as specialized health courts and pre-trial arbitration/mediation.</p>	<p>6. <b>National Insurance Exchange.</b> More federal bureaucracy will not bring down costs or increase choice. Innovation in the states and vibrant private markets will. Any proposed regulatory changes to insurance plans can be done without a new federal entity and enforcement.</p>
<p>7. <b>An electronic health record for every American.</b> One of the few bright spots of the stimulus package was bonus payments to doctors and hospitals to adopt health information technology. We must ensure that once installed these systems can interconnect to build a life-long personalized health record controlled by the individual.</p>	<p>7. <b>Move from disability to capability.</b> Change workers comp, Medicaid, Medicare and other disabilities programs to (1) reward and provide assistive technologies that support work; (2) support independent living when possible; (3) maximize adoption of discoveries and technologies the prevent disabilities or secondary disabilities; (4) focus on maximizing a person's capabilities rather than maintaining their disabilities; (5) detect and stop fraud; (6) re-training and back-to-work focus for those on temporary disability; etc.</p>	<p>7. <b>Minimum standard insurance benefit set.</b> Consumers should be able to find the right insurance product that best meets their needs, without mandated minimums from Washington.</p>

<p>8. <b>Electronic administration.</b> Replace manual, paper administrative processes, like provider payment and eligibility checks, with automated, electronic models. Industry estimates are that \$30 billion could be saved by moving to electronic administration.</p>		<p>8. <b>Federal Health Board.</b> Consumers know more about their own health and healthcare than unelected bureaucrats.</p>
<p>9. <b>Medical liability.</b> Extend federal liability protection to providers who follow established clinical guidelines or use certified best practices. Limited liability protection should also be extended to those who report medical errors and participate in quality improvement programs. Create uniform expert witness criteria and establish health courts.</p>		
<p>10. <b>Prevent fraud.</b> Industry estimates are that as much as 10% of all healthcare spending is fraudulent. To combat this, we should post all Medicare and Medicaid claims data online for public access. Fully fund the HHS Office of the Inspector General. Require enhanced coordination of benefits, third-party liability identification, and electronic claims processing and payment. Utilize predictive modeling for payments. Require biometric identification for Medicaid patients to access treatment.</p>		
<p>11. <b>Scoring and savings.</b> Reform federal scoring models to show true savings and transparency. Create a science-based</p>		

<p>investment budget scored over a generation of return. Require public transparency of all CBO and OMB scoring models.</p>		
<p>12. <b>Medicare.</b> Implement recommendations of the National Bipartisan Commission on the Future of Medicare, such as a single Medicare Trust Fund, premium support, means testing, and competitive bidding for medical equipment and Part B drug pricing.</p>		
<p>13. <b>Medicaid.</b> Replace open-ended federal match financing with a model that pays states a transparent amount of dollars based on the actual number of people in poverty. Require risk-based managed care for all Medicaid beneficiaries.</p>		
<p>14. <b>State flexibility.</b> Fund state or multi-state collaborations to achieve 100% coverage through a flexible, transparent process.</p>		
<p>15. <b>Tax credits.</b> Extend a refundable and advanceable tax credit of \$2,500 and \$5,000 to low- and moderate-income individuals and families toward the purchase of private health coverage.</p>		
<p>16. <b>Individual responsibility.</b> Individuals should either purchase insurance or post a bond to opt out. Private insurers should have an equal responsibility to issue a policy to anyone who applies.</p>		

<p>17. <b>Help for small business.</b> Allow individuals and small businesses to pool together, giving these associations greater bargaining power for more affordable coverage.</p>		

While CBO will not score these savings, these are best industry estimates worth exploring:

**Electronic administration:** up to \$30 billion a year. Industry estimates conclude that \$30 billion a year could be saved by using technology to streamline processes and gain efficiencies.

**Preventing fraud:** up to \$200 billion a year. Industry estimates conclude that between three and 10% of all healthcare spending is fraud.

**Alzheimer’s Disease:** up to \$20 trillion by 2050. The Alzheimer’s Study Group concluded that the federal government alone will spend \$20 trillion by 2050 to treat the symptoms of Alzheimer’s. Delaying its onset by five years or finding a cure will avoid this immense cost.

**Liability reform:** \$124 billion a year. The elimination of procedures, tests, and treatments done solely out of fear of being sued would save an estimated \$124 billion a year.

**Moving to best practices:** 20-40% of all healthcare spending is likely waste, or adds no value to the process. Moving to documented or evidence-based best practices will not only improve quality but decrease costs dramatically.