

# Five Steps to a Better Health Care System

[From John C. Goodman's testimony to Congress on April 2, 2009](#)

## 1. Making health insurance portable:

If you have insurance that meets your needs, you should be able to keep it and take it with you as you move from job to job and in and out of the labor market.

*Getting there:* (1) Employers should be able to help their employees obtain individually owned, portable insurance at group rates; (2) employers should be able to help their early retirees get portable insurance at group rates, (3) everyone should have access to a nationwide market for insurance.

*Advantages:* Once enrolled, people would never lose coverage because of a job change or be charged a higher premium because of a health problem.

## 2. Making health insurance affordable:

Everyone should be treated alike under the federal tax system; and we should help everyone get the core insurance that everyone should have, leaving people free to purchase additional insurance with their own money.

*Getting there:* The Coburn/Burr/Ryan/Nunes bill would replace the existing system of health insurance tax subsidies with a refundable tax credit — covering the first \$2,300 (individual) or \$5,700 (family) of insurance costs for all Americans.

## 3. Meeting the needs of the chronically ill:

Instead of trying to force providers to care for hard-to-treat patients at below market rates, we should encourage a vigorous market for chronic care in which providers compete to meet patient needs and are rewarded for their success.

*Model for reform:* In the Cash and Counseling pilot programs under way in more than half the states, homebound disabled Medicaid patients manage their own budgets and hire and fire the people who provide them with services. Satisfaction rates approach 100%.

## 4. Letting doctors and patients control costs:

300 million patients and 900,000 doctors can do a better job of cost control than bureaucrats far away in Washington, D.C.

*Getting there:* (1) Let patients manage more of their own care and let them have direct control over the dollars that pay for that care; (2) encourage providers to compete for patients based on price and quality and (3) let doctors have the freedom to provide different services (e.g., telephone and email consultation) and be paid in a different way so long as (a) total costs are reduced and (b) quality of care increases.

## 5. Protecting seniors:

Seniors should be able to keep the insurance they have and they should not be exposed to arbitrary cuts in Medicare payments to fund health insurance for nonseniors.

*Getting there:* One in five seniors is in a Medicare Advantage Program — getting drug coverage and other benefits that would otherwise be unaffordable. Bills before Congress would eliminate this option for many seniors and use the money to pay for health insurance for nonseniors. These bills would also reduce Medicare payments, making Medicare patients less desirable to all providers. These are bad policy changes.