



BRIGHAM AND WOMEN'S HOSPITAL

WOMEN'S HEALTH POLICY and ADVOCACY PROGRAM



Health Care Reform and the 2008 Election

A GUIDE FOR WOMEN



What happens to you?
(or your daughter, mother, sister or friend?)



A non-partisan program working to improve health and health care for women

MARY HARRIGAN CONNORS CENTER
FOR WOMEN'S HEALTH AND GENDER BIOLOGY



HARVARD
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About the Connors Center

The Mary Horrygan Connors Center for Women's Health and Gender Biology is an innovative interdisciplinary clinical, research, education, and policy program in women's health whose mission is to improve the health of women and transform their medical care.

For more information please see
www.brighamandwomens.org/connorscenter

About the Women's Health Policy and Advocacy Program

The Women's Health Policy and Advocacy Program is a non-partisan effort striving to inform the policy process, building on clinical experience and sex- and gender-based knowledge, to improve health and health care for women.

For more information, please see
www.brighamandwomens.org/womenspolicy

Disclaimer

While the information contained in this report is, to the best of our knowledge, current at the time of publication, there may be subsequent developments in the Presidential candidates' health reform plans that could alter the descriptions herein. The women described in this report are fictional composites. This report does not constitute medical advice. Individuals with health problems should consult an appropriate health care provider.

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Dear Reader,

This guide was created to help women from all walks of life better understand how the Presidential candidates' health plans could affect them.

Most Americans agree that our health care system should be fixed, but the solutions proposed by Senators McCain and Obama are very different. Inside you will find descriptions of seven “fictional women” and their families, each with different health problems and health insurance coverage. You can read what would happen to each woman under Senator McCain’s health plan and Senator Obama’s plan. One or more of these “fictional women” – Lily, Alisa, Meghan, Sondra, Romi, Lenora, and Margaret – may be similar to you or someone you know.

You will also find a brief summary of a “compromise” plan created by Senators Ron Wyden (D-OR) and Bob Bennett (R-UT), which includes many features of the Democratic and Republican plans. To be successful, health care reform will require compromise by both parties, and the Wyden-Bennett plan has growing support in Congress.

We hope this guide is helpful to you in understanding how different health reform proposals affect the lives of women from many different backgrounds. It is intended to provide information only.

We do not endorse any particular proposal.

Sincerely,

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Women and Health Care Reform

Health care is important to women for many reasons.

Women are patients, caregivers, and coordinators of family health. Women have greater health needs than men, respond differently to illness and treatment, and have longer lifespans. Almost one in five American women does not have health insurance, and many more cannot afford or access the services they need.

Women want candidates to talk about health care.

Women voters are consistently more likely than men to cite health care as one of the top issues they want to hear about from the Presidential candidates. Women are especially concerned about whether their health insurance will pay for the services they – or their family members – need.

How can women evaluate the candidates' health care plans?

The issues are complex, and the candidates' plans offer few details to help women evaluate competing proposals. Women voters want to understand whether they will be better off or worse off under each candidate's health plan.

There are fundamental differences between the plans put forth by Senators McCain and Obama.

A detailed description of how the plans differ is available through the non-partisan Kaiser Family Foundation at www.health08.org. Which plan you support may depend on your answers to the following questions:

- Do you believe every American should have health insurance, or not?
- Do you want people to purchase their own health insurance directly from insurers in the marketplace, or do you want to fix our employer-based insurance system?
- Do you believe health insurers should be required to cover all necessary services (such as preventive and maternity care), or should less expensive policies that exclude certain services be encouraged?
- Do you believe competition will control rising costs and improve quality, or should government help to achieve these goals?

MEET LILY...



A young woman who chooses to be uninsured

Lily is 23 years old. She recently graduated from college and now works as an entry-level sales representative in a large publishing company. She used to be covered through her mother's health insurance but became ineligible immediately after her graduation. Although Lily's new job offers health insurance, with the company paying 75 percent of the premium cost, Lily decided not to enroll because she thinks the premium is too high and she wants to save money for business school. Lily believes she can go without insurance for a few years since she rarely gets sick and has a healthy lifestyle: she exercises regularly, eats right, does not smoke and drinks only occasionally. Lily is not worried about being uninsured.

Under Senator McCain's plan:

Lily could choose to remain uninsured or she could purchase health insurance on her own, buying a policy that is not connected to her job. If Lily purchased coverage on her own ("in the marketplace"), a tax credit of \$2,500 would be sent directly to her selected plan to offset her premium cost. Lily is one of the youngest employees in her company, and most of her co-workers get health insurance through the company's plan. While they do not currently pay taxes on the value of their health benefits, this exemption would be eliminated, and Lily's co-workers would pay taxes on their employer's 75 percent contribution (the average family policy today costs about \$12,000 per year).

All Americans would receive a tax credit up to \$5,000 per family to offset the cost of health insurance, whether

provided through their jobs or purchased directly from insurers. A variety of health plans would be available in the marketplace, and consumers would be discouraged from buying more coverage than they need or can afford. Plans with comprehensive coverage – which pay for services such as preventive care, routine check-ups, and medicines – tend to cost more. Insurers could also sell cheaper policies that pay for some services, but exclude care that many states currently require insurers to cover – such as mammograms, pap smears, and maternity care. If Lily or her co-workers purchased this kind of policy, they would need to pay for those services on their own. For anyone purchasing insurance that costs less than their tax credit, the remaining funds could be deposited in a Health Savings Account and used to pay for out-of-pocket health expenses.

Under Senator Obama's plan:

A new law would allow children to stay covered through their parents' health insurance until they turn 25. Lily could take advantage of this law to get coverage through her mother's policy, or she could choose to remain uninsured, or purchase health insurance on her own in the marketplace.

Because Lily's company has many employees, it would be required to continue offering health insurance to its workers or contribute to a newly-created public health plan. Health benefits provided by employers would remain

exempt from taxes, so Lily's co-workers would not be taxed on the company's contribution to their health insurance plans. If Lily chose to purchase insurance on her own, she could buy it through the newly-created National Health Insurance Exchange. The Exchange would be available to individuals and small businesses without access to other health insurance. Private health plans offered through the Exchange would have to cover comprehensive services, with benefits similar to those available to members of Congress. Subsidies would be given to those who want to buy insurance through the Exchange but cannot afford it.



MEET ALISA...

A low-income single mother with two children

Alisa is a 29-year old single mother of two children. She works part-time as a cashier in a discount store and stays in her job mostly because the flexible hours allow her to take care of her kids. Alisa's 8-year old son has juvenile diabetes and her 6-year old daughter has been diagnosed with asthma. Alisa needs all her wages for food, rent, and clothing, and cannot afford to pay for the health insurance coverage offered at her job. Alisa does not qualify for Medicaid – which provides health insurance to many low-income families – because she earns slightly more than the federal poverty line threshold. Luckily, Alisa's children are eligible for the State Children's Health Insurance Program (SCHIP), which provides health insurance to children from low-income families at little or no cost for most services. Only a few states cover parents through this program and where Alisa lives, she is not eligible. Alisa pays a monthly premium of \$20 for both children and spends about \$15 each month on her co-payment for prescription drugs. She is hoping that she does not get sick because she simply cannot afford any type of medical care for herself.

Under Senator McCain's plan:

No changes would be made to expand the Medicaid program, and Alisa would remain uninsured. Alisa's children would continue to be covered through SCHIP if her income stayed within a specified range. If Alisa wanted to buy health insurance for herself in the private market, a tax credit up to \$2,500 would be sent to her selected insurer to help pay the premium cost. It is not known whether this tax credit would cover the full cost of Alisa's insurance. She could choose to purchase a more expensive,

comprehensive plan that covers a full range of medical services, or she could choose a less expensive policy that covers more limited services such as inpatient hospital care. If Alisa left her state or changed her job, she could keep any insurance she purchased on her own. Competition between insurers in the marketplace would be the primary means of controlling costs and improving quality.

Under Senator Obama's plan:

Eligibility for the Medicaid and SCHIP programs would be expanded, so that Alisa might qualify for health insurance through one of these programs. If Alisa remained ineligible for Medicaid and SCHIP, she would be given a federal subsidy based on her income to buy health insurance through the newly created National Health Insurance Exchange. The Exchange would be available to individuals and small businesses that cannot get insurance elsewhere, and would offer a new public health plan as well as private health plans. All health insurance offered through the

Exchange would be required to cover a comprehensive range of medical services with benefits similar to those available to members of Congress, including preventive, mental health, and maternity care. If Alisa left or changed her job, she could keep the insurance she had through the Exchange. Her health plan would be regulated to keep rates affordable; competition between insurers offering coverage through the Exchange may also help to control costs and improve quality.

MEET MEGHAN...



A 36-year old homemaker with high “out-of-pocket” medical expenses

Meghan and her husband Jim have three children ranging in age from 8 to 14 years old. Meghan used to work as a teacher but now stays at home to care for her children. Jim is a manager with a large manufacturing company, and the family has insurance through Jim’s job. Although Meghan had noticed an increase in their premium costs over the years, she did not pay much attention to the rising deductibles, co-payments, and other “cost-sharing” expenses as the family rarely needed medical care other than check-ups and vaccinations. However, two years ago Meghan’s oldest child suddenly fell ill and had to have his appendix removed. Two months later, her husband, who had been gaining weight over the years, was diagnosed with heart disease, spent a night in the emergency room, and began taking several costly medications. And last month, Meghan felt a lump in her breast and has been diagnosed with early-stage breast cancer, just like her sister a few years ago. Between deductibles, co-payments, multiple doctor visits, and medicines that their health plan does not cover, the family’s “out-of-pocket” medical expenses, combined with the \$430 they contribute each month for health insurance, now total over 25 percent of their family’s budget. Until recently, Meghan had not realized the extent to which her family was underinsured.

Under Senator McCain’s plan:

Meghan and Jim could keep their current coverage, but they would be taxed on the value of health insurance received as a benefit of Jim’s employment. Regardless of whether they kept their employer-sponsored health plan or purchased insurance on their own, Meghan’s family would receive a tax credit up to \$ 5,000 to offset premium costs. The average premium for employer-sponsored family health insurance in 2007 was about \$12,000; however, health

insurers would compete for business and would be encouraged to offer lower-cost plans with less comprehensive benefits. To stem rising drug costs, competition would be encouraged between pharmaceuticals manufactured in the U.S., generic drugs, and medicines imported from other countries. This strategy might result in Meghan and her family paying less for medications.

Under Senator Obama’s plan:

Meghan’s family could keep their current coverage through Jim’s employer. Jim’s company would be required to either continue paying a “meaningful” percentage of Jim and Meghan’s premium, or contribute a percentage of its payroll to offset the cost of a new public health plan. By expanding health coverage to more Americans, health costs of the uninsured would no longer be passed on to those with insurance, possibly reducing health premiums

for Meghan’s family. New investments in technology and prevention may also reduce a typical family’s overall health costs. To decrease drug prices, U.S. pharmaceutical companies would compete with medicines imported from overseas and would be prohibited from keeping generic drugs out of the market. This strategy might result in Meghan and her family paying less for needed medications.



MEET SONDRA...

A 43-year old federal government employee

Sondra has worked as an engineer for the federal government for almost seven years. She is married and has two school-age children living at home. Sondra's husband, the basketball coach at a local college, could get health insurance through his job but the benefits offered through the Federal Employee Health Benefits Program (FEHBP) are much better. For example, the FEHBP covers preventive screening tests, yearly check-ups, and immunizations from preferred providers. Sondra especially likes the fact that her family's total deductible is just \$300 per year. She does not have to worry about mounting bills for unexpected illnesses as her plan protects against catastrophic costs, with a reasonable maximum for out-of-pocket expenses. Sondra has to pay a deductible for her family's prescription drugs, but she doesn't complain because the amount is relatively small compared to most health insurance plans. This is a big advantage for her since her husband takes several medications to control his blood pressure. Sondra's 9-year old son thinks it is "cool" that his mother's job gives their family the same health insurance as members of Congress.

Under Senator McCain's plan:

Sondra could keep her coverage through the Federal Employee Health Benefits Program (FEHBP), and her benefits would most likely remain unchanged. Health insurance offered through the FEHBP, which covers most federal employees and member of Congress, is more comprehensive than that offered through many other health plans, as private insurers in the FEHBP are required to cover many services including annual check-ups, maternity care, and routine health screenings. The amount families

are required to pay "out of pocket" for co-payments and deductibles is also more reasonable than many other plans. Sondra's friends and neighbors who buy health insurance in the marketplace could choose from health plans with benefits similar to the FEHBP, which are generally more expensive, or low-cost plans that cover fewer services, using their tax credits of \$2,500 per individual or \$5,000 per family to offset premium costs.

Under Senator Obama's plan:

Sondra could keep her coverage through the FEHBP, and her benefits would most likely remain the same. The FEHBP would increase the use of generic drugs, which might result in some savings for Sondra's family. All health insurance offered through the newly-created National Health Insurance Exchange, including private health plans and a new public plan, would be required to match the FEHBP's comprehensive package. The Exchange would be available to small businesses, families, and individuals

who cannot get coverage elsewhere. Consequently, Sondra's friends and neighbors who buy insurance through the Exchange would have benefits similar to Sondra's. There would also be a change in the way Sondra's family's health care providers are paid – they would be rewarded for keeping Sondra's family healthy (performing well on "health outcome" measures) instead of the volume of services they provide.

MEET ROMI...

A 52-year old small business owner



Romi owns and manages a small home decorating business with six employees, all women. She lives with her husband, a self-employed consultant, in a small city near Chicago. Their two children, a daughter and a son, are both grown and live away from home. Romi buys private health insurance for herself and her husband through their state's Small Business Association. She used to offer insurance to her employees as well, paying half of the premium cost, until six years ago when one of her workers was treated for ovarian cancer and the premium rose almost 30 percent in one year (and a total of 84 percent over five years). Now, Romi simply can't afford to contribute to her employees' health insurance and keep her business solvent. Several of her workers are uninsured because they can't find or afford health insurance on their own. Romi feels terrible about putting them in this situation but doesn't know what to do.

Under Senator McCain's plan:

Romi and her employees would each receive a tax credit of up to \$2,500 for individuals and \$5,000 for families to offset the cost of health insurance purchased in the marketplace. Romi's employees would be able to keep any health plan they purchased in the marketplace even if they changed jobs.

The marketplace would offer a variety of health plans, and Romi's employees would be discouraged from buying more coverage than they need or can afford. Plans with comprehensive coverage – which pay for preventive care, routine check-ups, and medicines – tend to cost more. Insurers would also sell cheaper policies that pay for some services, but exclude care that many states currently require them to cover – such as mammograms and pap

smears. Under a practice known as gender rating, insurers in the individual market in 38 states may charge different premiums to men and women for the same coverage, and often charge women higher rates until around age 55. This may affect several of Romi's employees' ability to afford insurance. Most individual health plans also do not cover maternity care without an extra-cost rider.

Romi's employee who had ovarian cancer might have difficulty finding affordable coverage, and would apply to her state's Guaranteed Access Plan. Insurance currently available through similar programs tends to be expensive and exclude certain services, but "reasonable limits" would be set on premiums.

Under Senator Obama's plan:

Unlike large companies, very small businesses like Romi's would be exempt from the obligation to provide meaningful coverage for their employees or pay a percentage of payroll tax. However, if Romi wanted to provide health insurance to her workers, the newly-created National Health Insurance Exchange would allow her to purchase either a new public plan or a private plan. As a small business owner, Romi would receive a refundable tax credit up to 50 percent of the contributions she made toward the health benefits of her employees. If Romi's premiums exceeded a certain amount, the Exchange would

contribute to the cost as long as Romi agreed to pass savings onto her employees. Romi would not have to pay a higher premium as a result of one employee's serious health problem, as the Exchange would pay a portion of those costs. If Romi chose not to help her employees buy health insurance, they could purchase individual private or public health plans through the Exchange, with subsidies for people below a certain income threshold. This insurance would be "portable" and Romi's employees could keep it even if they changed jobs.



MEET LENORA...

A 58-year old widow with pre-existing, chronic conditions

Lenora left her job as a nurse in a rehabilitation hospital 5 years ago when she developed arthritis in her hands and knee joints. She was a dependent on her husband's health insurance, but lost that coverage when he passed away last year. At the time of her husband's death, Lenora was told that under the COBRA law she could keep her health insurance for 36 months, but she would have to pay the entire premium herself – which she cannot afford. Since her husband's death, Lenora has become depressed and also developed high blood pressure. Lenora applied for federal disability benefits, but was denied because it was determined that she can perform light work. Lenora tried to find less expensive insurance in the individual market, but she has already been denied by two insurance companies because of her pre-existing conditions. A third insurer offered Lenora a plan that would exclude coverage for her arthritis, high blood pressure, and any associated illnesses.

Under Senator McCain's plan:

Health insurers in the private marketplace could continue denying coverage to Lenora based on her pre-existing conditions and health status. However, Lenora would be able to buy health insurance through her state's "Guaranteed Access Plan" created for patients with pre-existing conditions who cannot find coverage elsewhere. Guaranteed Access Plans would be modeled on "high-risk pools" that are currently offered in 34 states, which contract with private

insurers to cover people who cannot otherwise qualify for insurance. Health insurance available through existing high risk pools tends to be expensive and excludes certain services; McCain will ask Governors to brainstorm on ways to overcome these problems. "Reasonable limits" would be set on premiums, and if Lenora meets a certain income threshold she may qualify for additional help – beyond her \$2500 tax credit – in paying for insurance.

Under Senator Obama's plan:

Health insurance companies would be required to cover every person who applies for insurance, regardless of pre-existing conditions or health status. Lenora could either purchase a health plan through a private company in the marketplace, or get coverage through a new public health plan with comprehensive benefits similar to those offered

to members of Congress. She would purchase the public plan through the newly-established National Health Insurance Exchange. Her premiums would be "affordable" although specific rates are not known. If Lenora meets a certain income threshold, she may qualify for a federal subsidy to help pay for her insurance.

MEET MARGARET...



A 76-year old woman who receives coverage through Medicare

Margaret receives health insurance through the federal Medicare program, which covers every American age 65 and older. She is the sole caregiver for her 81-year old husband, who is frail and suffers from dementia. Margaret has mild hypertension and was recently diagnosed with osteoporosis. Following the death of one of her closest friends last year, Margaret was prescribed anti-anxiety medication. Margaret and her husband now take a combined total of 11 prescription drugs each day to help them maintain an adequate level of functioning. Their out-of-pocket expenses for medications take a large chunk of their modest fixed income and add to Margaret's financial worries. Margaret also finds it difficult to manage their various medical appointments with specialists, located at different offices and clinics, and there is little communication. There is little communication among their health care providers. Twice this year, Margaret has been referred to specialists who did not have her full medical record at the time of her scheduled visits, and who ordered diagnostic tests that had already been done. Margaret's primary care physician often waits more than four weeks after a specialist visit to receive a report, leading to delays in appropriate care. Managing her husband's health care has been similarly frustrating and complex.

Under Senator McCain's plan:

It is not known whether Margaret's Medicare coverage would be affected by cuts in the Medicare program. To keep his health plan "budget-neutral" McCain would cut spending on Medicare and Medicaid by up to \$1.3 trillion over 10 years – the amount independent analysts estimate his plan would cost. While few details have been released, these cuts would include eliminating Medicare fraud, reforming the ways doctors and hospitals are paid, and increasing Medicare premiums for wealthier seniors.

Given Margaret's modest income, it is unlikely that this last provision would affect her. It also is not known whether McCain would make changes that impact Medicare eligibility.

McCain would expand the use of low-cost generic drugs and would increase competition among U.S. pharmaceutical companies by introducing more imported drugs into the market. These measures could reduce the amount that Margaret and her husband pay for their medications.

Under Senator Obama's plan:

Margaret's Medicare coverage would likely remain the same. However, the way her physicians are paid would be changed to promote higher quality and more coordinated care. To reduce preventable errors such as duplicated tests, investments would be made in electronic health information technology and programs that foster team-based medical care.

To lower drug prices, Obama would lift a ban that prevents the government from negotiating Medicare drug prices with pharmaceutical companies. He would also allow seniors and other Americans to buy drugs from countries where prices are lower, and would expand the use of low-cost generic drugs. Current gaps in Medicare Part D drug coverage would be closed. These measures could reduce the amount that Margaret and her husband pay for their medications.

The Wyden-Bennett Plan: An Example of Compromise

Senators Ron Wyden (D) and Robert Bennett (R) have proposed a bipartisan plan, the Healthy Americans Act, which combines health reform strategies that are favored by Democrats and Republicans. This plan would accomplish universal health care by requiring all Americans to have health insurance – a long-time Democratic goal. The bill would also end our reliance on employer-provided health insurance – a favorite Republican approach.

To accomplish these goals, the Healthy Americans Act would eliminate the tax exemption received by employers who provide health benefits and create a new, private, individual-based insurance system. Employers would be required to make, over time, “shared-responsibility payments” to help finance the new private system. This proposal would shift almost all public insurance programs, such as Medicaid and SCHIP, to private insurers. Every insurance plan would be required to offer a standard benefit package similar to that currently available to members of Congress (the FEHBP), and insurers would be required to cover everyone who applies for coverage, including people with pre-existing conditions, without raising premiums.

Overall, this proposal would use a shared-responsibility approach involving individuals, employers, insurers, and the government. All Americans, including those who are currently uninsured and those who currently have employer-sponsored coverage, would purchase private health insurance through Health Help Agencies or state-run purchasing pools. These agencies would provide information about the variety of health plans available to consumers and help them enroll. In order to help with the cost of health insurance, the federal government would provide subsidies to people with incomes up to 400% of the federal poverty line. Everyone would be able to keep their insurance regardless of whether they changed jobs or stopped working.

In addition to embracing strategies that have bipartisan support, the Wyden-Bennett plan may be attractive to Congressional leaders due to its projected cost: the Congressional Budget Office, which rates proposals for their impact on the federal budget, has said that the Healthy Americans Act could be operational by 2012 and would be budget neutral by 2014.

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