



## Team Health Care

Toby Embry

Vanessa Marsh

Krista Pollock

Ariel Richards

Natalie Shew

Barbara Ganley, PhD, RN, MSN Program Director,  
Department of Nursing

Gary Gorka, MLS, Executive Director, Alemany Library

*Health care costs for my children are cost-prohibitive through my employer (employee only pays for dependents), thus I have them on a policy purchased through an internet site that provides minimal coverage and has a very high deductible. Cost increased by 37% in one year. My primary concern is being able to afford health care coverage for my children as a working single mom (Respondent, Team Health Care Survey, 07/13/08).*

*Because I work two jobs and both are part time, I do not have health insurance. I cannot afford to pay for COBRA because it will cost me \$985/mo for myself and my college age child. Neither of us are currently insured. Out of pocket expenses for medications are really high. My son has stopped taking his acne medication (on my former health plan it was \$10/mo and now it is \$85/mo). I pay the high costs for my own medications because I need them. I am trying to locate a pharmacy in Canada that will mail these medications to me for less than I can pay for them in the states (Respondent, Team Health Care Survey, 06/08/08).*

The above quotes are from a recent survey of Northern Californians about health care concerns (Team Health Care, 2008). These concerns mimic the other 450+ responses to this online, pencil/paper, and interview-based study.

Most Americans are extremely concerned and agree that strategies must be put into place to improve health insurance coverage and access to adequate health care in this country. The downturn of the United States economy in recent years has forced working families across the country to make tough financial decisions that often involve choosing between the basic necessities of life and health care coverage. According to the *Commonwealth Fund Biennial Health Insurance Survey* of American adults under the age of 65 (2001, 2003, 2005, & 2007), insurance coverage has deteriorated since 2001, with the most severe declines among moderate-income families (Collins, Kriss, Doty, & Rustgi, 2008). All income groups from the same data reported an increase in household expenditure dedicated to the cost for insurance. Americans are now spending more than 5 to 10 percent of their income on health care and insurance (Collins, Kriss, Doty, & Rustgi, 2008) and health care comprises 16% of our gross national product (Wojcik, 2007). Adding to the high cost of health care, a 2004 study found that hospitals charged self-pay patients rates that were often 2.5 times higher than the rates paid by most insurers and greater than three times rates charged to hospitals' Medicare-allowable costs (Collins, Schoen, Davis, Gauthier, & Schoenbaum, 2007). Moreover, the coverage gap between low-income and moderate-income families is narrowing with more than 41% of families earning between \$20,000 and \$40,000 reporting they were uninsured at some time in 2007 (Collins, Kriss, Doty, & Rustgi, 2008).

The big question these days is what do our presidential candidates plan to do to address America's concern about health care? These candidates, Senator John McCain (Republican-Arizona) and Senator Barack Obama (Democrat-Illinois) have very different visions for the future of

health care in the United States in the following key areas: universal coverage, individual mandate, employer pay or participation, changes to employer benefit tax exemption, regulation of insurance markets, and financing source (Collins & Kriss, 2008).

Both Senator McCain and Senator Obama have ambitious plans to reform our health care. The concern of most Americans is not the broader plans but how these plans will be implemented and financed. Will all Americans have equal and adequate access to health care? Will the health care be adequate to sustain the health of Americans? Most Americans agree that strategies must be put into place to improve health insurance coverage and access to adequate health care in this country; none *want* to sacrifice their health in order to pay for food, fuel, and housing costs.

**John McCain** believes we should ensure access to health care for every American by allowing tax credits to fund each person's insurance. His overall approach is to provide tax incentives for individual market insurance coverage and to institute provider payment reform. Those with private health insurance would receive tax credits of \$2,500 for individuals, \$5,000 for families. Individuals with multi-year policies that cost less than the full credit could deposit the balance in expanded Health Savings Accounts (HAS). In addition, his plan would reform the tax code to eliminate the bias toward employer-sponsored health insurance since the individual would be responsible for his or her own insurance (McCain, 2008).

Medicare and Medicaid would change the way providers are paid in order to focus their attention more on chronic disease management and treatment. Parents would be responsible for their children's health insurance. McCain does not specify how he will finance the tax credits that support his health care reform plan (Collins & Kriss, 2008).

**Barack Obama** says he will guarantee Americans affordable, comprehensive, and portable health coverage through partnerships with employers, private health plans, the federal government, and the states. Obama's approach includes mixed private-public group insurance with a shared responsibility for financing, with an employer mandate and individual mandate for children. Employers would be required to provide meaningful coverage with a meaningful contribution to workers or to contribute a percentage of payroll toward the costs of the national health care plan. A National Health Insurance Exchange would allow anyone to purchase private insurance, with benefits similar to a standard plan in Federal Employee Health Benefit Plan (FEHBP) (<http://www.opm.gov/insure/health/about/fehb.asp>). Coverage would be available to small businesses and individuals who do not have access to group coverage through this new insurance exchange. Sliding scale premium subsidies based on income would be provided for families and could be used to buy into the new public plan or to purchase private insurance (Obama, 2008).

The Obama plan would be financed by eliminating the tax cuts for households with incomes of \$250,000 and above, and with revenue from the employer contribution (Collins & Kriss, 2008).

**Team Health Care** - This is simply an executive summary of the work we have done in investigating the health care and the platforms of Senators McCain and Obama. For more information about THC's own research and to learn more about the candidates' platforms go to <http://www.dominican.edu/teamhealthcare>. We know you are concerned. Be informed. **Vote.**

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