



BARACK OBAMA AND JOE BIDEN'S PLAN TO LOWER HEALTH CARE COSTS AND ENSURE AFFORDABLE, ACCESSIBLE HEALTH COVERAGE FOR ALL

Health care costs are skyrocketing. Health insurance premiums have doubled in the last 8 years, rising 3.7 times faster than wages in the past 8 years, and increasing co-pays and deductibles threaten access to care.¹ Many insurance plans cover only a limited number of doctors' visits or hospital days, exposing families to unlimited financial liability. Over half of all personal bankruptcies today are caused by medical bills.² Lack of affordable health care is compounded by serious flaws in our health care delivery system. About 100,000 Americans die from medical errors in hospitals every year.³ One-quarter of all medical spending goes to administrative and overhead costs, and reliance on antiquated paper-based record and information systems needlessly increases these costs.⁴

Tens of millions of Americans are uninsured because of rising costs. Over 45 million Americans⁵—including over 8 million children⁶—lack health insurance. Eighty percent of the uninsured are in working families.⁷ Even those with health coverage are struggling to cope with soaring medical costs. Skyrocketing health care costs are making it increasingly difficult for employers, particularly small businesses, to provide health insurance to their employees.

Underinvestment in prevention and public health. Too many Americans go without high-value preventive services, such as cancer screening and immunizations to protect against flu or pneumonia. The nation faces epidemics of obesity and chronic diseases as well as new threats of pandemic flu and bioterrorism. Yet despite all of this less than 4 cents of every health care dollar is spent on prevention and public health.⁸ Our health care system has become a disease care system, and the time for change is well overdue.

OBAMA-BIDEN PLAN TO PROVIDE AFFORDABLE, ACCESSIBLE HEALTH CARE TO ALL

Barack Obama and Joe Biden's plan strengthens employer-based coverage, makes insurance companies accountable and ensures patient choice of doctor and care without government interference. Under the plan, if you like your current health insurance, nothing changes, except your costs will go down by as much as \$2,500 per year. If you don't have health insurance, you will have a choice of new, affordable health insurance options.

LOWER COSTS TO MAKE OUR HEALTH CARE SYSTEM WORK FOR PEOPLE AND BUSINESSES – NOT JUST INSURANCE COMPANIES

Inefficient and poor quality care costs the nation at least \$50 to \$100 billion every year.⁹ Billions more are wasted on administration and overhead because of inefficiencies in the health care system.¹⁰ And given current trends, this problem will only get worse as health care spending is expected to double within the next decade.¹¹

A growing body of research points to substantial opportunities to improve quality while reducing the costs of care. Health care systems in many parts of the country deliver high quality care to the populations they serve at half the cost of other equally renowned academic medical centers in other parts of the country.¹² The key is to provide information, incentives and support to help physicians and others work together to improve quality of care while reducing costs.

Barack Obama and Joe Biden believe we must redesign our health system to reduce inefficiency and waste and improve health care quality, which will drive down costs for families and individuals. The Obama-Biden plan will improve efficiency and lower costs in the health care system by: (1) adopting state-of-the-art health information technology systems; (2) ensuring that patients receive and providers deliver the best possible care, including prevention and chronic disease management services; (3) reforming our market structure to increase competition; and offering federal reinsurance to employers to help ensure that unexpected or catastrophic illnesses do not make health insurance unaffordable or out of reach for businesses and their employees.

(1) INVEST IN ELECTRONIC HEALTH INFORMATION TECHNOLOGY SYSTEMS. Most medical records are still stored on paper, which makes them difficult to use to coordinate care, measure quality, or reduce medical errors. Processing paper claims also costs twice as much as processing electronic claims.¹³ Barack Obama and Joe Biden will invest \$10 billion a year over the next five years to move the U.S. health care system to broad adoption of standards-based electronic health information systems, including electronic health records. They will also phase in requirements for full implementation of health IT and commit the necessary federal resources to make it happen. Barack Obama and Joe Biden will ensure that these systems are developed in coordination with providers and frontline workers, including those in rural and underserved areas. Barack Obama and Joe Biden will ensure that patients' privacy is protected. A study by the Rand Corporation found that if most hospitals and doctors offices adopted electronic health records, up to \$77 billion of savings would be realized each year through improvements such as reduced hospital stays, avoidance of duplicative and unnecessary testing, more appropriate drug utilization, and other efficiencies.¹⁴

(2) IMPROVE ACCESS TO PREVENTION AND PROVEN DISEASE MANAGEMENT PROGRAMS. Experts agree that several steps should be taken immediately to help patients get the care they need and to help providers improve medical practice. Barack Obama and Joe Biden will expand and support these and other efforts to lower costs and improve health outcomes.

HELP PATIENTS

- **Support disease management programs.** Over seventy-five percent of total health care dollars are spent on patients with one or more chronic conditions, such as diabetes, heart disease, and high blood pressure.¹⁵ Many patients with chronic diseases benefit greatly from disease management programs, which help patients manage their condition and get the care they need.¹⁶ Barack Obama and Joe Biden will require that plans that participate in the new public plan, Medicare or the Federal Employee Health Benefits Program (FEHBP) utilize proven disease management programs. This will improve quality of care and lower costs, as well.