



ISSUES

PIA Principles for Health Care Reform

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Principles for Health Care Reform:

- Build on and support the private health care system, don't dismantle it
- Improve existing government programs
- Do not create a government-owned insurance agency or brokerage
- Preserve the role of independent agents and brokers
- Build upon successful state-based innovations
- Do not tax employer-provided health care benefits
- Encourage cost controls and wellness programs
- Congress needs to forge the broadest possible consensus before enacting any reform legislation

Build on private health care system, don't dismantle it. PIA believes that the private health insurance system should form the basis of any health care reform. Congress should build on the private health care delivery system, not seek to dismantle it.

Improve existing government programs. Today, there are many federal and state programs for health and medical benefits for those who do not have coverage otherwise. These programs must do a far better job in working in a more harmonious, coordinated and cost-effective fashion. Before adding new elements to the healthcare system, PIA believes problems with existing government programs need to be fixed.

Do not create a government-owned insurance agency or brokerage. The concept of a Health Care Exchange is being described by some advocates as an independent entity that would organize affordable health insurance options and offer them to businesses and individuals. This entity sounds like a government-operated insurance agency. PIA vehemently opposes the creation of an exchange that would function as a government-owned insurance agency or brokerage. In addition, PIA would oppose granting to any corporation or entity, public or private, a federal contract to operate or administer such an exchange.

Preserve the role of independent agents and brokers. PIA believes that independent insurance agents and brokers play a key role in the sale and delivery of health insurance. The private sector's ability to compete on an equal basis must be preserved in any health care reform legislation.

PIA opposes the proposal for a "Navigators" program or any similar program, which would conduct public education, distribute information and assist with health insurance enrollment. This proposal would give federal grants to groups with no background or expertise in health insurance, charging them with the responsibility to advise businesses and individuals regarding their health insurance decisions, while specifically excluding licensed health insurance agents or brokers from participating.

Build upon successful state-based innovations. The states are the laboratories of democracy and innovation. In approaching health care reform, policymakers should look to the experiences of the many states that have experimented with possible solutions — to see what worked, and just as importantly, to avoid what has not worked.

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Do not tax employer-provided health care benefits. The crisis in health care is a crisis of affordability, especially for small businesses and individuals. Taxing employer-provided health care benefits would only exacerbate the problem by driving up costs and making coverage less affordable. It is not advisable to attempt to extend coverage to those who are uninsured by making coverage less affordable for everybody.

Encourage cost controls, wellness. A reformed health care system should encourage cost control through greater efficiencies such as electronic medical records. Cost savings should not be achieved by denying one type of reimbursement to finance others, or by attempting to ration care. Employers should be provided with legal protections as well as tax and premium incentives for wellness programs.

Congress needs to forge the broadest possible consensus before enacting any reform legislation. Use of the budget reconciliation process to pass health care reform carries the risk of having insufficient consensus to make reforms work. PIA believes that achieving the broadest possible consensus for any reform proposal is critical to its chances for success.

For additional information on this issue, please contact PIA's federal affairs department.