





Comparison of 2004 Presidential Candidates' Health Care Proposals*

(as of August 26, 2004)

	 George W. Bush	 John Kerry
A. General Overview	<p>Provide individual tax incentives to purchase coverage.</p> <p>Use consumer-driven health care and marketplace competition to lower costs.</p> <p>Expand access to medical care for children and lower-income Americans by expanding community health centers, children's health coverage, and Medicaid programs.</p> <p>Invest in health care technology to lower the cost of delivering medical care.</p> <p>Reform the medical liability system to reduce frivolous lawsuits and defensive medicine.</p>	<p>Employer/group coverage with private-public insurance.</p> <p>Expand public programs to cover children and low-income adults.</p> <p>Expand access by pooling individuals and small businesses into the FEHBP to make insurance more affordable.</p> <p>Create a federal reinsurance pool to cover catastrophic cases, which will lower cost of private insurance by 10%.</p> <p>Swap federal and state Medicaid responsibilities to expand public coverage.</p>
B. Population Covered/Served	Up to 13.3 million	26.7 million







George W. Bush







John Kerry



B. Population Covered (continued)	<p>4.0 million newly insured (adults and children) by purchasing insurance through tax credits and deductions.</p> <p>Extended Medicaid and SCHIP coverage to 2.6 million low-income Americans.</p> <p>Five-year plan to fund 1,200 new and expanded community health centers that will serve an additional 6.1 million by 2006.</p> <p>Provided \$23 million to 18 states to create high risk pools that cover those too sick to afford conventional insurance.</p> <p>Allow small business to band together and negotiate insurance premiums for their workers and families (estimated to cover 600,000 previously uninsured individuals).</p>	<p>10.4 million low-income parents <200% FPL and adults <100% FPL</p> <p>Expand eligibility in CHIP and Medicaid to 300% FPL (estimated 7.5 million children). 100% of funding for Medicaid from federal govt.</p> <p>Provide coverage for every child.</p> <p>Eliminate health coverage eligibility wait-period (currently 5 years) for legal immigrant pregnant women and children.</p> <p>Assure automatic enrollment with continuous 12-month eligibility in Medicaid or SCHIP.</p>
C. Employer Coverage		
1. Small Business	Create Association Health Plans to purchase health insurance through large purchasing pools.	Allow enrollment in the FEHBP for businesses <50 employees. Employers contribute to 50% of premium and receive refundable 25% tax credit. Additional tax credit for contributions >50% threshold.
2. Workers between jobs	Not specified.	Receive 75% subsidy when purchasing coverage from former employer or FEHBP for up to 6 months
3. Large Business	Not specified.	<p>Permitted to join FEHBP if they maintain the same value of employer-based contribution and do not selectively enroll their workforce.</p> <p>Create premium rebate pool for catastrophic cost coverage.</p>

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4. Self-employed & individuals without access	<p>Budget proposal includes \$98 billion in new tax credits (up to \$1,000 for individuals and \$3,000 for families) to make private insurance more affordable for those without employer-subsidized insurance.</p> <p>Investing nearly \$25 billion annually to help hospitals bear the cost of the poor and uninsured.</p>	<p>Coverage provided through FEHBP-type program with a refundable 25% tax credit. Premium pricing based on income.</p> <p>Assistance (tax incentives) offered to uninsured individuals whose premium payments exceed 6% of their income.</p>
6. Working Parents	Not specified.	States will agree to expand coverage to working parents (up to 200% FPL) in exchange for full federal funding of Medicaid coverage for children.
5. Aged 55-64 & Retired	Not specified.	Permit individuals aged 55-64 to purchase coverage from FEHBP program.
6. Unemployed	Proposes creating or expanding 1,200 Community Health Centers to serve the uninsured.	Provide 75% federal subsidy to purchase coverage from FEHBP-type program or COBRA.
D. Costs & Financing		
1. Federal Costs	\$90.5 billion over 10 years	\$653 billion over 10 years
2. Cost per insured individual	\$3285	\$2295
3. Cost-containment strategies	<p>Enrollment in Health Savings Accounts to reduce unnecessary physician visits.</p> <p>Increase use of electronic medical records and technologies to decrease administrative costs, errors, and inefficiencies.</p> <p>Minimize costs by increasing disease prevention coverage.</p>	<p>Federal govt. provides reimbursement of 75% of catastrophic coverage costs (>\$50,000) in FEHBP plan. This “reinsurance program” reduces price of insurance by 10%.</p> <p>Cap individual premiums in FEHBP plan to 6-12% of income.</p> <p>Reduce administrative costs through electronic records</p>

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	<p>Proposes malpractice reform to reduce the cost of malpractice insurance, which drives up health care costs and reduces access.</p> <p>Introduced regulatory processes to get low-cost generic alternatives to consumers more quickly.</p>	<p>and other technologies.</p> <p>Minimize costs by implementing disease management and health promotion programs.</p>
4. Financing of Costs	Not specified.	<p>Repeal tax cuts and close corporate loopholes.</p> <p>Federal govt. will cover 100% of Medicaid coverage for children in exchange for states fully funding their SCHIP programs.</p>
E. Quality of Care		
1. Primary Care	<p>Create 1,200 new and expanded Community Health Centers which will serve 6.1 million previously uninsured individuals over the next five years. (budget allocation of \$1.5 billion)</p>	Not specified.
2. Patient's Rights	<p>Supports a "Patient's Bill of Rights" to ensure medical decisions are decided by physicians instead of insurance companies.</p> <p>Supports legislation making genetic discrimination illegal.</p>	<p>Provide financial incentives for providers to improve quality of care.</p> <p>Set benchmarks to reduce racial and ethnic disparities, errors, and improve quality.</p>
3. Informing the Public	<p>Make better information on treatments and the quality of providers available to the public.</p> <p>Provide information on nursing home quality.</p>	<p>Make medical errors transparent, not to punish, but to minimize errors, patient injuries, and reoccurrence.</p>
4. Privacy	Implement strong medical privacy protections.	Ensure that medical records are secure and private.
5. Technology	<p>Create incentives for providers to use electronic medical records.</p> <p>Require the federal govt. to adopt electronic record technology.</p> <p>Adopt health information standards for areas</p>	<p>Provide incentives to encourage use of computerized prescribing systems.</p> <p>Provide incentives to organizations and doctors that invest in modern information systems (i.e. electronic medical records, patient registries, etc.)</p>

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	<p>including electronic laboratory results, electronic prescriptions, and electronic x-ray transmission. Commit \$100 million to funding health care IT projects. Created a new sub-Cabinet level position of National Health Information Technology Coordinator. Ensure that most Americans will have electronic health records by 2014.</p>	<p>Ensure that all individuals will have secure, private medical records by 2008. Require federal govt. to adopt electronic methods for medical transactions and call for private insurers to utilize this simplified standard in its transactions with the government.</p>
F. Other Aspects		
1. Prescription Drug Benefits	<p>Created Medicare discount prescription drug card program through 2006. Created a federally subsidized prescription drug benefits program for Medicare in 2006. (\$35 monthly premium, individuals responsible for first \$250, then pay 25% coinsurance up to \$2250; individuals responsible for coverage gap from \$2250 - \$5100, Medicare pays 95% above \$5100) Introduced regulatory processes to get low-cost generic alternatives to consumers more quickly.</p>	<p>Supported addition of prescription drug benefit to Medicare. Require transparency rules for Pharmacy Benefit Managers to disclose incentives and savings in order to minimize cost of prescription drugs. Eliminate loopholes in patent law to encourage cheaper and generic alternatives. Pool populations to negotiate discounts for drugs. (Expand Medicaid negotiating power to others.)</p>
2. Medical Liability	<p>Cap non-economic damages at \$250,000. Permit punitive damages only in justifiable cases and limit to reasonable amounts. Require payments be provided over a period of time rather than as a single lump sum. Supports specific time limits after which claims cannot be filed. Require defendants to pay judgments in proportion to their fault.</p>	<p>Opposes capping damages in malpractice lawsuits. Require claims to be approved by a qualified specialist. Provide incentives to reduce lawsuits filed by requiring non-binding mediation for all claims before proceeding to trial. Supports mandatory sanctions for improper claims. Opposes punitive damages except for intentional misconduct, gross negligence, or reckless indifference to life.</p>

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	Reduce plaintiff payments from physicians if plaintiffs have received insurer compensation for losses.	
3. Choice of Care	Supports choice of doctors, hospitals, and places of treatment.	Maintain choice of care / coverage as in FEHBP program.
4. Disease Prevention	Full coverage for disease prevention, such as screenings for cancer, diabetes, osteoporosis, etc. Steps to a HealthierUS initiative funds innovative community-based programs to reduce obesity, diabetes, and asthma-related complications, with a particular focus on youth. (The President's 2004 budget requested \$125 million for Steps to a HealthierUS.)	Supports best practices in disease prevention and health promotion, encourages exercise, and investments in preventive care models. Require companies & insurers in FEHBP-type program to implement disease management and health promotion programs.
5. Health Savings Accounts	Expand HSAs whereby employers and individuals contribute money to place in HSAs to buy tax free insurance on their own. Allow individuals who establish HSAs to also deduct premiums for high-deductible policies.	Opposes HSAs.
6. Medicaid Funding	\$300 million for families in transition from welfare to work. Extended Medicaid and SCHIP coverage to 2.6 million low-income Americans by reallocating expiring funds to the states, granting states waivers, and approving state plan amendments.	Federal govt. covers all Medicaid for children. Federal govt. covers Medicaid expansion to working parents up to 200% FPL.

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7. Long-Term Care	Proposes to make premium payments fully deductible to eliminate need to “spend down” to Medicaid. (Cost: \$20 billion over 10 years) Tax exemptions for individuals who take time off to provide long-term assistance to parents or children.	Expand and integrate care and chronic disease management programs.

- **Information contained in this table has been culled from a variety of Internet-based sources, including analysis by external parties and the web sites of the candidates themselves, and does not reflect analysis by the College. ACPM does not take a position on the Presidential election nor other political races.**

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