



The Obama Health Plan

October 2, 2009

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The Obama Health Plan obviously is the topic of the day. However, the Obama Health Plan is not really a "plan" to reform the health care delivery system in the U.S. The Obama Health Plan is really an initiative to address what the President believes to be three major problems with the health care delivery system in the U.S.:

1. "The cost of health care is too high." The average spending on health care per capita in the U.S is reported by his administration as being nearly twice as high as other countries.
2. "The quality of health care is too low." For example, the President believes infant mortality is higher and life expectancy is lower in the U.S. than in other developed countries, and nearly 100,000 people die each year in the U.S. from errors that occur in hospitals.
3. "Health care is not sufficiently accessible, especially for the uninsured."

Rather than proposing a health care reform plan of his own, President Obama has left it to Congress to develop the actual plan. With that said, the Obama Administration does have fundamental thoughts regarding health care reform including that:

1. Every person in the U.S. must have health insurance. The logic is that, if every person has insurance, (a) the price of health care and health insurance will decrease since health care providers and insurance companies will no longer be required to bear the cost of providing care to the uninsured and (b) individuals will no longer be denied care on the basis of their inability to pay.
2. Employers must provide health insurance to their employees. The Obama Administration acknowledges that it is not entirely fair to require employers to bear the cost of providing health insurance to employees. However, in the absence of any realistic alternative source for the funding for health insurance for employees, the Obama Administration believes that it has no alternative but to impose this requirement on employers.
3. The federal government must develop a public health insurance program for two purposes: (a) to provide low-cost health insurance to individuals who cannot obtain insurance from another source and (b) to create a "public option" to put competitive pressure on private health insurance companies to decrease the cost of insurance. Health care providers are wary of a public option because Medicare and Medicaid, the two largest existing public health insurance programs, have a long history of not paying the full cost of providing care. Private health insurance companies are also wary of a public option because (a) it might be successful in competing with them and (b) it might be the seed for a single payor system which would eliminate the entire private health insurance industry.

4. The federal government should stop paying for health care on a fee-for-service basis which gives health care providers a financial incentive to increase the volume of health care services provided to patients. Rather, the federal government should pay for health care on a per capita basis.
5. More health care is not better health care. The regions in the U.S. that spend the most on health care have more hospital beds, medical specialists, and internists per capita. However, these regions, according to the President, have less access to primary care, worse continuity of care, lower satisfaction with hospital care, and slightly higher mortality.
6. Health care in the U.S. must be far more coordinated. At present, the President believes there frequently are no formal relationships among primary care providers, specialists, hospitals, nursing homes, and other providers. As a consequence, he believes patients and providers both spend tremendous amounts of time and money simply moving a patient and a patient's demographic, insurance, and health information from one provider to the next.
7. The federal government should promote the use of electronic medical records in order to improve the coordination of care among health care providers. Studies show that providers who use electronic medical records have a higher quality of care.
8. The federal government should promote the use of electronic practice guidelines in order to improve quality of care. Studies show that providers who use electronic practice guidelines have a higher quality of care.
9. There is pervasive fraud in the health care industry. The President contends that the federal government's elimination of this fraud will both (a) offset the cost of providing health insurance to every person and (b) decrease health care costs.
10. A high percentage of the health care dollars in the U.S. are spent on extraordinary efforts to prolong a person's life by a few weeks or months. President Obama contends that a cultural change should occur so that individuals choose to spend the last few weeks or months of their lives at home, in hospices, or in other lower cost settings where they can be kept comfortable and pain-free. This concept is the seed for the accusation that the Obama Health Plan includes "death panels."

Again, these are thoughts. They are not a plan. However, some of these thoughts inevitably will find their way into Congress's ultimate plan.

The summary of President Obama's Health Care plan does not reflect the views of this law firm but merely address the general points of the plan as announced by the Obama Administration.