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THE HEALTH SECURITY ACT OF 1993
Health Care That's Always There

Every citizen will receive a Health Security Card that guarantees them a comprehensive package of benefits.

In America, rights and responsibilities go hand-in-hand. We will ask everybody to pay something, even if your contribution is small, because everyone must assume responsibility. No one should get a free ride.

Most important of all, we're going to offer new opportunities and new incentives for people to keep healthy -- and to treat small problems before they become big ones. Our goal should be to kep people healthy, not to treat them after they become sick.

The plan also will:

- *Control health care costs.*
- *Improve the quality of American health care.*
- *Increase choices for consumers.*
- *Reduce paperwork and simplify the system.*

Guaranteed, comprehensive benefits that never be taken away -- that is our goal. And it is not negotiable.

What's Wrong With the Current System

Everything that's wrong with our health care system is threatening everything that's right with American health care.

- Over the next two years, one out of four Americans will be without health coverage at some point.
- Today's system is rigged against families and small businesses. Insurance companies pick and choose whom they cover. Then they drop you when you get sick. If you have a pre-existing condition, you usually can't get any kind of insurance at all.
- Insurance companies charge small businesses as much as 35% more than the big guys.
- Only 29% of employers with less than 500 employees offer any choice of health plan.
- Twenty-five cents out of every dollar on a hospital bill goes to administrative costs and does not buy any patient care.
- Fraud and abuse costs us $80 billion -- or 10 cents of every health care dollar.
- Our nation's health costs have nearly quadrupled since 1980. Without reform, by the year 2000, one of every five dollars our nation spends will go to health care.

HOW THE NEW SYSTEM WILL WORK AFTER REFORM

After reform, every American citizen and legal resident will have a Health Security Card. Once you get your card, you can never lose your health coverage -- no matter what. If you get sick, you're covered. If you change jobs, you're covered. If lose your job, you're covered. If you move, you're covered. If you start a small business, you're covered.

That card guarantees you a comprehensive package of benefits that can never be taken away. *The package is as comprehensive as the ones that many Fortune 500 companies offer their employees, and includes some benefits that are missing from these packages, such as preventive care and prescription drugs.*

You will be able to choose your doctor. Everyone will have a choice of health plans. You will be able to choose a traditional fee-for-service plan, join a network of doctors and hospitals, or join an HMO. Your boss or insurance company won't decide how or where or from whom you get your care -- you will.

Almost everybody will be able to sign up for a health plan where they work, as you do today. You'll get brochures that give you easy-to-understand information on several health plans -- which doctors and hospitals are included, an evaluation of the quality of care, a consumer satisfaction survey, and the price. If you're self-employed or unemployed, you can sign up at the health alliance in your area -- run by consumers and businesses that will bargain for affordable health care for you.

The federal government will set up a national health board -- a board of directors that sets standards and then gets out of the way. State governments will set up health alliances to pool the purchasing power of consumers and small businesses, and the biggest businesses will be allowed to operate as their own "corporate alliances."

The insurance companies will be required to use one single claim form to replace the thousands of different forms they have today. So when you get sick, you won't be buried in forms -- and neither will your doctor or hospital.

- **Security for you and your family.**
- **A comprehensive package of benefits.**
- **Health care costs that are under control.**
- **Improved quality of care.**
- **Increased choices for consumers.**
- **Less paperwork and a simpler system.**

That's what the Health Security Act is all about.

Principle #1:
GUARANTEES THE SECURITY OF HEALTH CARE THAT'S ALWAYS THERE.

Over the next two years, one out of four Americans will be without health coverage at some point. The Clinton plan guarantees that you will never lose your insurance -- no matter what. Here's how the plan guarantees security:

Makes it illegal for insurance companies to refuse to cover you because of a pre-existing condition. The Health Security Act also makes it illegal for insurers to raise your premiums or drop you if you get sick. It specifies that all health plans will be required to accept anyone who applies, whether you're healthy or sick.

Guarantees coverage if you lose your job. Under this reform proposal, you will keep your health coverage even if you lose your job, and the employer-paid portion will be covered by revenue from "sin" taxes and Medicaid savings. Under the current system, if you lose your job, you lose your health insurance.

Guarantees coverage if you switch jobs, move or start a small business. Reform will mean that you will always be protected -- no matter what. Today, if you switch jobs, move or start a small business, you could find yourself without health insurance -- and risk being financially wiped out.

Provides coverage for early retirees. The Health Security Act will guarantee coverage for early retirees, so that they don't have to worry about being without coverage after they retire and before they are covered by Medicare. In today's system, many early retirees are losing their health benefits.

Principle #2:
GUARANTEES A COMPREHENSIVE BENEFITS PACKAGE.

All Americans will receive a health security card that guarantees you a benefits package that is as comprehensive as those offered by most Fortune 500 companies.

Emphasizes preventive care. The proposed comprehensive benefits package goes beyond virtually all current insurance plans by covering a wide range of preventive services, including mammograms, Pap smears, and immunizations. It puts a new emphasis on keeping people healthy, rather than waiting until they get sick. Prevention will save money and improve people's health.

Includes prescription drugs. Many insurance companies and Medicare have failed to cover prescription drugs in the past. But drug costs are killing people, forcing many older Americans to choose between food and medicine, and health insurance should cover prescription drugs.

All Americans will be guaranteed coverage of :

- Preventive Care (i.e.,Screenings, Immunizations, Mammograms, Prenatal Care)
- Prescription Drugs
- Hospital Care
- Doctor Visits
- Emergency/Ambulance Services
- Laboratory and Diagnostic Services
- Mental Health and Substance Abuse Treatment
- Expanded Home Health Care
- Children's Preventive Dental Care
- Vision and Hearing Care
- Hospice Care/Outpatient Rehabilitation

Principle #3:
CONTROLS HEALTH CARE COSTS.

Here's how the Health Security Act will control the health care costs which are right now spiraling out of control:

Limits how much the insurance companies can raise your premium. The insurance companies won't be able to raise your premiums at rates several times the rate of inflation. Today, insurance companies can raise your premium if you get sick, if someone in your family gets sick, or for any reason at all.

Introduces competition to the health care marketplace. In today's system, the insurance companies have a virtual chokehold on everybody involved -- doctors, businesses, and consumers. Reform will encourage competition -- forcing costs down as health plans compete for consumers by offering high-quality care at an affordable price.

Cracks down on fraud. The reform proposal creates new criminal penalties for health-care fraud. It makes it illegal for doctors to refer patients to outside facilities, such as labs, in which they have a financial interest. And it stops the kickbacks that some laboratories give doctors in an effort to get business.

Asks the drug companies to hold down prescription drug prices. The Health Security Act asks the drug companies to take responsibility for keping prices down, but it doesn't use price controls. In today's system, overcharging runs rampant -- a good example is certain prescription drug prices that are three times higher here than they are overseas.

Reduces paperwork. All health plans will adopt a single, standard claims form by Jan. 1, 1995. This -- along with other measures to streamline the system -- will save money by reducing paperwork and cutting red tape.

Squeezes the waste out of Medicare and Medicaid. By slowing the growth of these government programs, the reform proposal uses funds that would have gone to fraud and overcharges for comprehensive benefits. Under reform, Medicare will be expanded to cover

prescription drug benefits, and there will be a new long-term care program to cover home- and community-based care. Today, Medicare and Medicaid spending keeps going up and up, and the elderly and poor aren't getting any extra benefits.

Principle #4:
IMPROVES THE QUALITY OF AMERICAN HEALTH CARE.

Emphasizes preventive care. The Health Security Act puts a new emphasis on preventing illness before it becomes a medical crisis. Prevention will improve the quality of care by keeping people healthy before they get sick. The benefits package covers a wide range of preventive services, including Pap smears, immunizations, and annual physicals.

Empowers consumers to evaluate the quality of care. Consumers will receive quality "report cards" that provide information on the performance of health care plans and patient satisfaction. These report cards will hold health plans accountable for meeting high standards of quality. And the National Quality Program, an advisory council to the National Health Board, will provide information to states on the comparative performance of health plans and monitor the performance of the system as a whole.

Reforms malpractice. The President's proposal will limit lawyers' fees in order to discourage frivolous lawsuits. And it will encourage patients and doctors to use alternative forms of dispute resolution before going to court. This will eliminate the "defensive medicine" that drives up costs and hurts quality -- doctors ordering extra tests because they have lawyers looking over their shoulders.

Encourages cooperation in rural and urban areas. Rural residents will have access to the latest technology and emergency services through telecommunications links set up between their local doctor and networks of doctors, hospitals, and specialists. And in urban areas, the plan will increase investment in public hospitals and community health centers.

Provides incentives for more family doctors in rural and urban areas. The plan will use financial incentives to train and recruit doctors and nurses for rural and urban areas, and expand the National Health Service Corps. In 1988, 68 percent of rural counties did not have enough doctors and 111 rural counties had no physician at all.

Increases funding for prevention research. The National Institutes of Health (NIH) will expand research in areas like children's health, and health and wellness promotion. This kind of preventive care will keep people healthier and save money at the same time.

Promotes research on what treatments work and what don't. A lack of information about the most cost-effective methods of treatment often leads to defensive medicine and wide variation in treatment procedures. The plan's investments in quality and outcomes research will help improve the quality of care.

Principle #5:
INCREASES CHOICES FOR CONSUMERS.

Preserves your right to choose your doctor. This reform proposal will ensure that you can follow your doctor to any plan he might join. Today, more and more employers are forcing their employees into plans that restrict their choice of doctor. After reform, your boss or insurance company won't choose your doctor or health plan – you will.

Increases your choice of health plan. You will be able to choose from among all the health plans offered in the area where you live -- it doesn't matter where you work. In the current system, only 29% of companies with fewer than 500 employees offer any choice of health plan. After reform, 100% of employees will be able to choose their health plan.

Puts consumers in the driver's seat. The Health Security Act brings competition to health care -- unleashing the market forces that lower costs and improve quality. Allowing small businesses and consumers to band together in health alliances will level the playing field and give them the same bargaining power as big businesses.

Increases options for long-term care. The President's proposal will make it possible for more Americans to continue to live in their homes and communities while receiving care. Reform will bring down costs in the Medicare program, and the Medicare savings – along with some "sin" taxes -- will fund this new home care program and a new prescription drug benefit for older Americans.

Principle #6:
REDUCES PAPERWORK AND SIMPLIFIES THE SYSTEM.

Uses a Health Security Card. This card -- with full protection for privacy and confidentiality -- will allow for electronic billing and the creation of a information network on health care. This will reduce paperwork and simplify the system.

Requires insurance companies to use a single claim form. The Health Security Act will reduce the insurance company red tape that forces doctors and patients to spend their time filling out forms and fighting bureaucrats. All health plans will adopt a single, standard claims form by Jan. 1, 1995. It will enable doctors and nurses to spend more time taking care of you – and less time filling out forms.

Eliminates fine print. Everyone will get a comprehensive benefits package – and what you get will be spelled out in easy-to understand language. So when you get sick, it will be impossible for insurance companies to point to the fine print in your policy and deny you the benefits you've paid for.

Streamlines billing reimbursement for doctors, nurses and hospitals. The comprehensive benefits package, a standard set of rules for being paid, and rolling back government regulations on doctors and hospitals will reduce confusion and paperwork for doctors, nurses, hospitals and consumers.

Takes away businesses' burden of finding insurance. There will be a few groups of businesses and consumers -- regional health alliances -- in every state negotiating for high-quality care at an affordable price. This will be much simpler than today's system of hundreds of thousands of businesses negotiating with thousands of different insurance companies. The administrative burden of finding insurance will be lifted from business -- and so will the administrative costs.

HOW THE SYSTEM IS FINANCED

This financing proposal was developed under the most rigorous and conservative forecasting standards. For the first time, representatives from every federal agency involved in fiscal accounting and financial projections have been brought together to work out the numbers. And teams of actuaries, health economists and other financial analysts from outside government have been acting as auditors and consultants throughout the process.

The system is financed from four major sources:

1) Employer and employee contributions -- We will ask everybody to pay something, even if your contribution is small, because everyone must assume responsibility. Today, the overwhelming majority of employers cover their employees. But the businesses that provide insurance are paying for those who don't. No one should get a free ride.

2) Medicare and Medicaid savings -- These are specific areas of savings achieved by slowing the rate of growth of these programs. And the savings will be channeled back into benefits for the people which these programs serve.

3) Coverage of uncompensated care. -- This is savings from money used now to pay hospitals for providing care for the uninsured.

4) Sin taxes and other additional federal revenue -- There will be new "sin taxes," and additional revenue will also be gained because as health care costs are slowed, there will be less money considered tax-deductible.