

**Citizens' Health Care Working Group**

**HEALTH CARE**

**THAT WORKS FOR ALL**

**AMERICANS**

## **Interim Recommendations**

of the

**Citizens' Health Care Working Group**

June 1, 2006

# Preamble

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The health care system that captures vast amounts of America's resources, employs many of its most talented citizens and promises to relieve the burdens of dread disease badly needs to be fixed. Health care costs strain individual, household, employer and public budgets. Often our citizens forego needed treatment because they are priced out of the market. At the same time, public budgets are buckling under the burden of public health care programs.

We spend nearly \$2 trillion on health care each year, yet geography, race, ethnicity, language and money impede Americans from getting appropriate care when they need it. People in Utah recently spoke for tens of millions of Americans when they noted

*“[the] inability to navigate the health care system without luck, a relationship, money and perseverance”.*

Far too often sick Americans lack one or more of these factors needed to get health care.

Given the breathtaking advances in medical science—American health care sadly under achieves. The health care system gets Americans the right care, and only the right care, about 50% of the time. As many as 98,000 Americans die because of medical errors each year. Polls of American households reveal that about one third of Americans report that they or a family member have experienced a medical error at some point in their life. While no system can ever eliminate all error, we can do better. While most Americans are generally satisfied with their health care, too many Americans are being let down by their health care institutions. Many people are afraid of the health care system, they are bewildered by its complexity and are suspicious about who it aims to serve.

Addressing the problems of U.S. health care involves considering the perspectives, interests and circumstances of providers, payers, health plans and consumers. We have spent 15 months reading, listening and learning about U.S. health care from a wide range of perspectives. We have held 6 hearings with experts, stakeholders, scholars, public officials and advocates. We have conducted 31 community meetings, as well as special topic meetings and sponsored events, in more than 50 communities across the nation. Members attended meetings in 30 states and the District of Columbia. We have reviewed all the major public opinion polls focused on health care conducted between 2002 and 2006. Citizen responses to the Working Group's internet polls (over 10,000 as of May 15) were studied. Finally, we have read close to 5,000 individuals' commentaries on health care matters submitted by residents of this country.

A picture has been sketched for us of a health care system that is unintelligible to most people. They see a rigid system with a set of ingrained operating procedures that long ago became disconnected from the mission of providing people with humane, respectful and technically excellent health care.

The legislation that created the Citizens Health Care Working Group emphasizes the need to bring the views of everyday Americans to the job of creating a better health care system. In previous health care reform efforts, too little has been heard from the public about several key issues, including:

- The overarching values and aspirations that are at the heart of the mission of health care, and
- How they see the key elements of solutions to health care financing and delivery.

It is in the spirit of giving a greater voice to everyday people that we deliver these recommendations on how to make health care work for all Americans.

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# The Charge to the Citizens' Health Care Working Group

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The Citizens' Health Care Working Group was created by the Medicare Prescription Drug, Improvement and Modernization Act of 2003, Sec. 1014 to provide for the American public to "engage in an informed national public debate to make choices about the services they want covered, what health care coverage they want, and how they are willing to pay for coverage." Appointed by the Comptroller General of the United States, the Working Group consists of 14 individuals from diverse backgrounds, representing consumers, the uninsured, those with disabilities, individuals with expertise in financing benefits, business and labor perspectives, and health care providers. The Secretary of Health and Human Services also serves as a member of the Working Group. Because the Working Group's final recommendations will be submitted to the Department of Health and Human Services, the Secretary of Health and Human Services has neither participated in the development of these recommendations nor has he endorsed them. He will carefully consider them and take appropriate action.

The legislation charged the working group with holding hearings on various health care issues before issuing *The Health Report to the American People*. This report, completed in October 2005, provides an overview of health care in the United States for the general public, enabling them to be informed participants in the national discussion organized by the Working Group.

The law specifies that this national discussion take place through a series of Community Meetings, which at a minimum, address the following four questions:

- ***What health care benefits and services should be provided?***
- ***How does the American public want health care delivered?***
- ***How should health care coverage be financed?***
- ***What trade-offs are the American public willing to make in either benefits or financing to ensure access to affordable, high quality health care coverage and services?***

As noted in the Preamble of this document, we held 6 hearings with experts, stakeholders, scholars, public officials and advocates. We conducted 31 community meetings, as well as special topic meetings and sponsored events, in more than 50 communities across the nation. Members attended meetings in 30 states and the District of Columbia. We reviewed all the major public opinion polls focused on health care conducted between 2002 and 2006. Citizen responses to the Working Group's internet polls (over 10,000 as of May 15) were studied. Finally, we have read close to 5,000 individuals' commentaries on health care matters submitted by residents of this country.

Following this nationwide citizen engagement, the Working Group is required to prepare and make available to the public this interim set of recommendations on "health care coverage and ways to improve and strengthen the health care system based on the information and preferences expressed at the community meetings." Following a 90-day public comment period on these recommendations, the Working Group will submit to

Congress and the President a final set of recommendations. The law specifies that the President shall submit a report to Congress on the recommendations within 45 days of receiving them, and designates five congressional committees that will hold hearings on that report and the recommendations: the Committee on Finance of the Senate, the Committee on Health, Education, Labor and Pensions of the Senate, the Committee on Ways and Means of the House of Representatives, the Committee on Energy and Commerce of the House of Representatives, and the Committee on Education and the Workforce of the House of Representatives.

Following are the interim recommendations of the Citizens' Health Care Working Group, along with descriptions of how we conducted our work and what we heard from participants in community meetings, respondents to our Web polls, and citizens who wrote in to tell us their views.

These recommendations outline a vision and a plan for achieving broad-based change in health care in America. We recognize that the issues involved are complex and challenging, and that it will take time and a great deal of technical expertise, as well as political will, to make the changes we think are necessary. Over the next three months, we will continue to actively pursue public input as we deliberate and further refine these proposals. During this process, we will provide greater detail and explanation of our recommendations, as well as further analysis of what we are hearing from the American people before issuing the final recommendations to the Congress and the President.

Those wishing to comment on the interim recommendations may do so by August 31, 2006 in any of three ways:

- online at [www.CitizensHealthCare.gov](http://www.CitizensHealthCare.gov);
- by e-mail to [citizenshealth@ahrq.gov](mailto:citizenshealth@ahrq.gov); or
- by mail to the following address:

Citizens' Health Care Working Group  
Attn: Interim Recommendations  
7201 Wisconsin Ave, Rm. 575  
Bethesda, MD 20814

# Values & Principles

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The Citizens Health Care Working Group believes that reform of our health care system should be guided by principles that reflect values of the American people:

- Health and health care are fundamental to the well-being and security of the American people.
- It should be public policy, established in law, that all Americans have affordable health care coverage.
- Assuring health care is a shared social responsibility. This includes, on the one hand, a public responsibility for the health and security of its people, and on the other hand, the responsibility of everyone to contribute.
  - A defined set of benefits is guaranteed, by law, for all, across their lifespan, in a simple and seamless manner; the benefits are portable and independent of health status, working status, age, income, or other categorical factors that might otherwise affect insurance status.
  - Individuals' security is assured: as defined in law, changes in circumstances cannot be used to limit full access to benefits.
- All Americans will have access to a set of core health care services across the continuum of care throughout the lifespan.
  - Access to care means that everyone should be able to get the right care at the right time and at the right place. Appropriate health care must be available and affordable, as well as convenient and accessible for people in their communities. People's ability to get services and be treated appropriately and in a respectful manner are also essential aspects of access to care.
  - Health care encompasses wellness, preventive services, and treatment and management of health problems.
- Core benefits/services will be selected through an independent, fair, transparent, and scientific process which gives priority to the consumer-health care provider relationship:
  - Identification of core benefits will be made and updated by a public/private entity whose members are appointed through a process defined in law which
    - Includes citizens representing a broad spectrum of the population
    - Will specify core benefits taking into account evidence-based science and expert consensus regarding the effectiveness of treatments.
  - Additional coverage for services beyond the core package can be purchased.

- Shared social responsibility implies consideration of health care costs.
  - Health care spending needs to be considered in the context of other societal needs and responsibilities. Because resources for health care spending are not unlimited, the efficient use of public and private resources is critical.
  - Individuals should be responsible, to the extent possible, to be good stewards of their health and health care resources.

# Interim Recommendations

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- **CORE BENEFITS: Americans will have access to a set of affordable and appropriate core health care services by the year 2012.**

## **Recommendation 1:**

### **It should be public policy that all Americans have affordable health care**

All Americans will have access to a set of core health care services. Financial assistance will be available to those who need it.

Across every venue we explored, we heard a common message: *Americans should have a health care system where everyone participates, regardless of their financial resources or health status, with benefits that are sufficiently comprehensive to provide access to appropriate, high-quality care without endangering individual or family financial security.*

### **Financing Health Care that Works for All Americans**

This and other of the recommendations contained here call for actions that will require new revenues to provide some health care security for Americans who are now at great risk. The opinion polls we examined, the community meetings we held, and the web based surveys and comments we received, all showed large majorities of people willing to make additional financial investments in the service of expanding the protection against the costs of illness and the expansion of access to quality care.

We recommend adopting financing strategies for these recommendations that are based on principles of fairness, efficiency, and shared responsibility. These strategies should draw on dedicated revenue streams such as enrollee contributions, income taxes or surcharges, “sin taxes”, business or payroll taxes, or value-added taxes that are targeted at supporting these new health care initiatives.

We note that improvements in efficiency through a variety of mechanisms such as investments in health information technology, public reporting, and quality improvement may be realized over time. To the extent that such efficiency gains are obtained they would be used to assist in paying for new protections such as those against catastrophic health care expenditures and the impoverishment of individuals as a result of getting the health care they need.

No specific health care financing mechanism is optimal. We understand that the transition from the current system to a system that includes all Americans will take time and that multiple financing sources will need to coexist during the move to universal coverage. However, the disparate parts must be brought together in a way that ensures a seamless and smooth transition.

## **Recommendation 2: Define a “core” benefit package for all Americans**

Establish an independent non-partisan private-public group to identify and update recommendations for what would be covered under high-cost protection and core benefits.

- Members will be appointed through a process defined in law that includes citizens representing a broad spectrum of the population including, but not limited to, patients, providers, and payers, and staffed by experts.
- Identification of high cost and core benefits will be made through an independent, fair, transparent and scientific process.

The set of core health services will go across the continuum of care throughout the lifespan.

- Health care encompasses wellness, preventive services, primary care, acute care, prescription drugs, patient education and treatment and management of health problems provided across a full range of inpatient and outpatient settings.
  - Health is defined to include physical, mental and dental health.
  - Core benefits will be specified by taking into account evidence-based science and expert consensus regarding the medical effectiveness of treatments.

- **IMMEDIATE PROTECTION FOR THE MOST VULNERABLE: Action should be taken now to better protect Americans from the high costs of health care and to improve and expand access to health care services.**

## **Recommendation 3: Guarantee financial protection against very high health care costs**

No one in America should be impoverished by health care costs.

Establish a national program (private or public) that ensures

- Coverage for all Americans,
- Protection against very high out-of-pocket medical costs for everyone, and
- Financial protection for low income individuals and families.

## **Recommendation 4: Support integrated community health networks**

The federal government will lead a national initiative to develop and expand integrated public/private community networks of health care providers aimed at providing vulnerable populations, including low income and uninsured people, and people living in rural and underserved areas, with a source of high quality coordinated health care by:

- Identifying within the federal government the unit with specific responsibility for coordinating all federal efforts that support the health care safety net;
- Establishing a public-private group at the national level that is responsible for advising the federal government on the nation's health care safety net's performance and funding streams, conducting research on safety net issues, and identifying and disseminating best practices on an ongoing basis;
- Expanding and modifying the Federally Qualified Health Center concept to accommodate other community-based health centers and practices serving vulnerable populations; and
- Providing federal support for the development of integrated community health networks to strengthen the health care infrastructure at the local level, with a focus on populations and localities where improved access to quality care is most needed.

➤ **QUALITY AND EFFICIENCY: Intensified efforts are central to the successful transformation of health care in America.**

## **Recommendation 5: Promote efforts to improve quality of care and efficiency**

The Federal government will expand and accelerate its use of the resources of its public programs for advancing the development and implementation of strategies to improve quality and efficiency while controlling costs across the entire health care system.

- Using federally-funded health programs such as Medicare, Medicaid, Community Health Centers, TRICARE, and the Veterans' Health Administration, the federal government will promote:
  - Integrated health care systems built around evidence-based best practices;
  - Health information technologies and electronic medical record systems with special emphasis on their implementation in teaching hospitals and clinics where medical residents are trained and who work with underserved and uninsured populations;
  - Reduction of fraud and waste in administration and clinical practice;

- Consumer-usable information about health care services that includes information on prices, cost-sharing, quality and efficiency, and benefits; and
- Health education, patient-provider communication, and patient-centered care, disease prevention, and health promotion.

### **Recommendation 6:**

**Fundamentally restructure the way that palliative care, hospice care and other end-of-life services are financed and provided, so that people living with advanced incurable conditions have increased access to these services in the environment they choose**

Individuals nearing the end of life and their families need support from the health care system to understand their health care options, make their choices about care delivery known, and have those choices honored.

- Public and private payers should integrate evidence based science, expert consensus, and culturally sensitive end of life care models so that health services and community-based care can better deal with the clinical realities and actual needs of chronically and seriously ill patients of any age and their families.
- Public and private programs should support training for health professionals to emphasize proactive, individualized care planning and clear communication between providers, patients and their families.
- At the community level, funding should be made available for support services to assist individuals and families in accessing the kind of care they want for last days.

# Members of the Citizens' Health Care Working Group

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Because the Working Group's final recommendations will be submitted to the Department of Health and Human Services, the Secretary of Health and Human Services has neither participated in the development of these recommendations nor has he endorsed them. He will carefully consider them and take appropriate action.