



## Obama's Health Plan

According to the brief summary, 45.5 million people aren't covered, costs have doubled over the last eight years, and not enough money is spent on preventative care. The legislation Obama plans to sign into law by the end of his first term would somehow reduce the cost of healthcare by up to \$2,500 per year for a typical family, in addition to ensuring that every American is covered.



How would Obama reduce costs and improve quality? His blueprint provides several bullet points with the proposed changes. The very first bullet point calls for an "up-front" investment of \$50 billion in "electronic health information technology systems." This initiative would supposedly reduce errors and "save lives and money," though for that to be true it would have to save more money than the initial \$50-billion "investment." Of course, cost is not the only issue; with government providing the money for the information technology systems, the confidentiality of the healthcare information being stored and how that information might be used would also be a concern.

Obama also proposes to reimburse employers for a portion of their costs to reduce their workers' premiums in addition to requiring "disease management programs and integrated preventative care." He would also require health plans to disclose what percentage of premiums go to patient care versus administrative costs. Another vague bullet point in the blueprint proposes to "launch a comprehensive effort to tackle health care disparities." He also plans to reform medical malpractice, though he doesn't offer specifics, and to strengthen antitrust laws to prevent insurers from overcharging doctors for malpractice insurance. Lastly, he intends to eliminate "excessive subsidies" paid to Medicare Advantage plans and instead pay them what it would cost for treatment under traditional Medicare.

The next section of his healthcare plan is on providing coverage for every American. In order to accomplish this, the blueprint states that Americans who do not have insurance would have a range of options through private insurers that would be paid from a new "National Health Insurance Exchange," or the option of a "public plan." Under the new programs, nobody could be turned away from any plan due to pre-existing conditions or illnesses — a sure recipe for increasing costs. It would also require insurers to provide "comprehensive benefits" that would cover all medical services mandated by the government including "preventative, maternity and mental health care" — another sure recipe for



Written by [Gary Benoit](#) on November 16, 2008

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increasing costs.

Also, those who require assistance but do not qualify for Medicare or SCHIP would receive tax credits to purchase their plans.

Another aspect of Obama's healthcare plan would be the creation of a Small Business Health Tax Credit that would refund up to 50 percent of the cost of employees' plans provided employers offer "quality" plans to all of their employees and pay a "meaningful share" of their employees' health premiums.

According to the blueprint, the Obama-Biden administration would also bring down the cost of prescription drugs by allowing importation of drugs from other countries where drugs are cheaper, increasing the use of generic drugs, and allowing Medicare to negotiate for better prices.

The last section of the healthcare plan outlined in the "Blueprint for Change" promotes prevention. After detailing problems with obesity in America and emphasizing the need to "put more of our health care funds into prevention," the plan states that the new administration will "work with every sector of society — employers, school systems, community groups, and families — to ensure that Americans have access to preventive care. He will require that all federally-supported health care plans cover these services, and will support efforts to promote healthy habits, lifestyles, and environments."

Where any of Obama's plans are authorized in the Constitution is of course never mentioned, and how insurance companies are expected to deal with these new mandates also escapes his blueprint.



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