WASHINGTON, DC – The Hamilton Project, an initiative at the Brookings Institution, hosted a forum, “Who’s Got the Cure? Four Options for Achieving Universal Coverage,” today at the National Press Club in Washington, D.C. At the event, four diverse policy options for achieving universal health care coverage were unveiled. This was the second in a two-part series focusing on health-care reform. The first event, held last April, offered policy proposals focused on enhancing affordability and effectiveness in our health care system. These proposals are available on the Hamilton Project website at www.hamiltonproject.org.

An estimated 45 million Americans are currently uninsured and the Institute of Medicine estimates that 18,000 of them die prematurely each year as a result. Health care spending has skyrocketed, with the typical insured family now paying, directly and indirectly, more than one-sixth of its income for health care. Rising costs have not been matched with greater efficiency in the health care system, with preventative care techniques and many proven therapies being under-utilized. Many experts agree that almost any system of universal health coverage would help address the issues of affordability and effectiveness, and would enable the health system to function better by expanding risk pooling and reducing the fragmentation of financing.

“Access to health care is not just a major social objective, but also an economic imperative,” noted Robert E. Rubin, former Treasury Secretary and a member of the Hamilton Project Advisory Council, in his opening remarks. “The fiscal challenges of our current system are increasingly impeding economic growth. Rising health care premiums can put a strain on businesses, wages and jobs, and ineffective care results in a less productive workforce…It is impossible to fully address the broader problems in the health care system without covering everyone.”

The first panel discussion featured the authors outlining their policy proposals for achieving universal health care coverage. Presenters included: Gerard Anderson of the Johns Hopkins Bloomberg School of Public Health; Stuart Butler of the Heritage Foundation; Ezekiel Emanuel of the National Institutes of Health; and Jonathan Gruber of the Massachusetts Institute of Technology. The second panel featured a discussion on the benefits and challenges to achieving universal coverage that included: Former Treasury Secretary and Hamilton Project Advisory Council member Lawrence H. Summers; former Administrator for the Centers for Medicare and Medicaid Services (CMS) and Brookings Senior Fellow Mark B. McClellan; International President of the American Federation of State, County and Municipal Employees Gerald W. McEntee; and General Mills Chairman and CEO Stephen W. Sanger. National Public Radio health policy correspondent Joanne Silberner moderated the discussion.

- more -
In the opening panel, Anderson highlighted a new Hamilton Project discussion paper, co-authored with Hugh Waters of Johns Hopkins University, for Medicare Part E(veryone). Anderson and Waters argue that the most practical and simple way to insure everyone would be to give all Americans the option of buying in to the familiar Medicare program. Medicare Part E(veryone) would achieve universal coverage by requiring individuals to acquire health insurance (with federal subsidies for low- and moderate-income households) and requiring firms to provide it. Individuals and firms would be free to retain their current private insurance, but they would have the option of buying into Medicare Part E, thereby guaranteeing access to arguably more cost-effective health insurance than what is currently offered on the private market.

Under this proposal, the authors estimate that half the population would initially be covered either by the current Medicare program or by Part E. They also predict that, over time, more people will choose to shift to the more efficient, cost-effective Medicare Part E. By mandating individual coverage, guaranteeing access through Medicare, and subsidizing low-income individuals, Part E could cover the millions of uninsured Americans in a way that is both financially sustainable and practically feasible, the authors argue.

The employer-sponsored health insurance system faces significant problems. Many employers are dropping coverage and an increasingly mobile workforce faces gaps or loss of coverage. Butler's discussion paper proposes an evolution of the current system to recast the role of employers, create a new portable and effective insurance option, and reform tax subsidies. Known as the Health Exchange Plan, his system would operate in parallel with—rather than replacing—the employer-sponsored system. In short, it would provide portable and universally available coverage options through state-chartered “insurance exchanges,” make it easier for employers to act as facilitators of coverage not sponsors of coverage, and reform the tax treatment of health care to make it more effective at subsidizing the low-income families who need the most help getting health insurance.

By partly de-linking health coverage from the workplace, Butler’s plan aims at evolutionary reform of the current system. It strives to provide a roadmap for recasting the existing system into one appropriate for a postindustrial world of high labor mobility and changing work arrangements. Butler argues that his plan would build pragmatically on the traditional foundations of employer-sponsored insurance to generate greater economic and health security for all working families.

Emanuel presented a new Hamilton Project discussion paper, co-authored with Victor Fuchs of Stanford University, that proposes a government-provided voucher system to replace existing insurance programs that offers universal and continuous coverage, controls costs, and improves the quality of care. Their universal health care voucher proposal would guarantee every American a comprehensive package of benefits through private health plans, establish quality control and independent oversight, and curb burgeoning malpractice premiums. They propose funding their system through a value-added tax (VAT) that would replace the premiums currently paid by employers and families.
Taking into account savings from administrative efficiency and the phasing out of public insurance, Emanuel and Fuchs argue that universal vouchers would be more effective and equitable than the current system without increasing total health spending. By correcting the incentives facing private insurers, the voucher system would harness the efficiency of the market while advancing the core American values of simplicity, equality of opportunity, and individual freedom of choice.

Gruber shared his ideas for extending the “Massachusetts model” for universal coverage nationwide. This proposal, which will be released in a forthcoming paper, examines the recently enacted legislation in Massachusetts designed to provide nearly universal health insurance coverage through a combination of individual mandates, employer pay-or-play requirements, subsidies to low and moderate-income households, and establishment of a new agency to oversee the development of affordable private insurance options. Gruber’s discussion paper for the Hamilton Project will examine the feasibility, costs, and benefits of extending the “Massachusetts model” to all 50 states.

“Achieving universal health coverage should be a priority for the federal government,” noted Jason Furman, director of The Hamilton Project and moderator for the first panel. “America spends more than any other country on health care, nearly 50 percent more per capita than the second-highest-spending nation. Despite these health expenditures, citizens in 28 other countries have a higher life expectancy and 33 other nations have lower infant mortality rates. The federal government is deeply involved in perpetuating the current private health care system and all its flaws, through the hidden back door of the tax code, spending approximately $200 billion annually in subsidizing employer-provided insurance. It is time that our government shifted its focus to universal health care, a system that will make health care not only more affordable, but more effective as well.”

“Effective health care reforms will combine improving the quality and cost of care with improving access to affordable health insurance,” noted McClellan. “These are big challenges, but addressing them together can make both easier to solve.”

About The Hamilton Project (www.hamiltonproject.org)
The Hamilton Project, named after the nation’s first Treasury Secretary, Alexander Hamilton, seeks to advance America’s promise of opportunity, prosperity, and growth. The project’s economic strategy reflects a judgment that long-term prosperity is best achieved by making economic growth broad-based, by enhancing individual economic security, and by embracing a role for effective government in making needed public investments. Our strategy — strikingly different from the theories driving economic policy in recent years— calls for fiscal discipline and for increased public investment in key growth-enhancing areas. The project will put forward innovative policy ideas from leading economic thinkers throughout the United States—ideas based on experience and evidence, not ideology and doctrine—to introduce new, sometimes controversial, policy options into the national debate with the goal of improving our country’s economic policy.

Media Notes: Any reporters wishing to interview representatives from The Hamilton Project, please contact Jennifer Devlin at 703-876-1714 or jennifer.devlin@cox.net or Karen Anderson at 202/741-6559 or kanderson@brookings.edu. Copies and/or summaries of the papers referenced here can be found on the web at www.hamiltonproject.org.

###