

## Health Care Access

### Meeting the Dilemma of Health Care Access

#### Extend Insurance Coverage while Controlling Costs

#### Background

Health care is the nation’s largest—and, in many respects, most important— industry. It is a large share of the nation’s economy and a major source of employment, to be sure, but, by improving people’s health and reducing disability, it promotes productivity across the economy and improves quality of life. The dollar value of Americans’ improved health over the last three decades approximates the value of all other economic growth combined, and much, though not all, of that gain is traceable to improved health care.

The U.S. health care sector is growing rapidly, and, on the private side (hospitals, doctors’ offices, and clinics) provides jobs for more than 15 million people. Government programs pick up about half of the tab.

#### Recommendations

The next President and Congress will confront major health policy decisions with far-reaching effects on the life of virtually every American. What candidates say about health care policy will therefore be central in voters’ judgments about whom they will support. Most likely, the next President will have to choose some variant of the following specific options:

- increasing consumers’ share of health costs through high-deductible insurance, as an alternative to expanding employment-based coverage
- incremental change to strengthen and extend employment-based health coverage, through reinsurance or making federal insurance programs (Medicare, Medicaid, or the Federal Employees Health Benefits Program) more widely available
- universal health insurance by means of “Medicare-for-all”
- support for state-level reforms—which may be the most politically feasible of these alternatives

## Key Facts

- nearly 46.6 million Americans had no health insurance coverage in 2005
- in 2008, total health care spending is projected to reach \$2.5 trillion, or 17.2 percent of the U.S. Gross Domestic Product (GDP)
- the number of uninsured will keep rising, potentially reaching 56 million by 2013

A full version of this proposal, as well as supporting background material, is available at [www.opportunity08.org](http://www.opportunity08.org).

## About the Authors and the Project

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Henry J. Aaron has been a senior fellow at Brookings since 1968. He is an expert on health care cost, financing, and rationing. He served as an assistant secretary at the Department of Health, Education, and Welfare under the Carter Administration. Aaron is a member of the Institute of Medicine.

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Joseph P. Newhouse has been the John D. MacArthur Professor of Health Policy and Management at Harvard University since 1988. Dr. Newhouse is also the Editor of the *Journal of Health Economics*, which he founded in 1981. He is also a faculty research associate of the National Bureau of Economic Research and a member of the Institute of Medicine of the National Academy of Sciences.

Opportunity 08 aims to help 2008 presidential candidates and the public focus on critical issues facing the nation, presenting policy ideas on a wide array of domestic and foreign policy questions. The project is committed to providing both independent policy solutions and background material on issues of concern to voters.