

First Choice 2004: Know *What You Want Before You Choose Who You Want*

1 Use competition to make the system more efficient

2 Expand the current system to cover more people

3 Create a national health care system



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▶ *How to Use This Guide*

Most voters' guides compare the candidates. That's useful, but how can you decide who you want in office until you're sure about what you want that politician to do? And these days that's harder to figure out than it should be.

When politicians present their plans, they naturally play up the quick, easy, cheap part of their program and downplay the messy, expensive, risky parts. In reality, however, many problems don't get solved without facing harsh choices; the government can't avoid pleasing some people and offending others.

First Choice 2004 is designed to help you make the most of your vote by having strong, informed opinions about what those choices might be. With these guides, you can find out more about the problems facing the nation and weigh your values against the policies politicians put forward.

With First Choice 2004, we're not claiming to have the "correct" solution to a problem. What

you'll find here are some key facts along with three different points of view about how to address the issue. Each point of view comes with the arguments for and against, along with some potential costs and tradeoffs. We focus on what each problem means to the average person – and because Public Agenda isn't pushing a particular solution, we're not interested in sugar-coating any options or trashing other points of view. We call this section Chicework.

That doesn't mean, by the way, that the broad choices we present are the only ways of dealing with a problem. Many people would mix and match from different perspectives, and you may have your own ideas we haven't considered. We're also not suggesting that you should go looking for a candidate who agrees with you on every single issue. What we are suggesting is that it'll be easier to judge the candidates if you've considered where you want the country to go in the next four years – and what you're willing to do to get there.



Originally launched in 1992, "Choose or Lose" is MTV's comprehensive pro-social campaign to inform young adults about the political process, voice their most urgent political concerns, compel leading Presidential candidates to address those concerns, and organize young adults aged 18-30 to register and vote. In 2004 the campaign is dubbed "20 Million Loud," a movement to mobilize more than 20 million people aged 18-30 to vote in the 2004 election.

You can find out more about Choose or Lose at our Web site, www.mtv.com.



Founded in 1975, Public Agenda is a nonpartisan, nonprofit organization devoted to public opinion and citizen education. Public Agenda's two-fold mission is to help American leaders better understand the public's point of view, while also helping citizens know more about critical policy issues so they can make thoughtful, informed decisions.

You can find out more about us at our Web site, www.publicagenda.org.

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Choicework In Brief: What Are the Options?

Approach One

Use competition to make the system more efficient

What should be done

- ▶ Encourage more employers to provide coverage through HMOs, to ensure competition.
- ▶ Encourage small businesses to join together in insurance pools to negotiate for better rates.
- ▶ Give patients more ways to pay for care, such as tax-free medical savings accounts.
- ▶ Encourage the use of lower-cost generic drugs and allow people to buy approved drugs from Canada and Europe.

Arguments for this choice

- ✓ The constant rise in health care costs hurts everybody – it makes those with insurance pay more and it makes insurance too expensive for low-income people.
- ✓ HMOs and other forms of managed care control costs by relying on competition.

Arguments against this choice

- ✗ This approach will do little to expand health care to the millions who don't have insurance.
- ✗ Under managed care, decisions are often made based on what's the cheapest treatment, not necessarily the best one.
- ✗ This will mean patients will have to face a lot more red tape and may even be turned down for treatment an insurance company decides is too expensive.

Approach Two

Expand the current system to cover more people

What should be done

- ▶ Lower the Medicare eligibility age to 55.
- ▶ Extend the Children's Health Insurance Program cutoff age to 25.
- ▶ Increase Medicaid funding and raise the income cutoff to cover the working poor.
- ▶ Offer tax incentives for businesses to extend health coverage to part-time and low-wage workers.

Arguments for this choice

- ✓ By expanding employer-provided insurance and existing public programs we can cover most of the uninsured.
- ✓ This is the least disruptive way of attacking the problem – it won't require massive changes in how the health care system operates or how people get their insurance.

Arguments against this choice

- ✗ The Medicare program is already at risk and will likely go broke as it deals with aging baby boomers.
- ✗ This will do nothing to control health care costs, which are rising at an outrageous rate.
- ✗ This will be an expensive expansion at a time when the federal government already has a budget deficit.

Approach Three

Create a national health care system

What should be done

- ▶ Create a Medicare-style "single payer" system, where the government provides health insurance for everyone.
- ▶ Allow patients to get a standard list of covered health services from any doctor or hospital in the program.
- ▶ Raise taxes and/or repeal existing tax cuts to fund the program.

Arguments for this choice

- ✓ Health care should be a right, not a privilege for those who have a good job, or are over a certain age. This approach is the only way to guarantee that everyone gets medical care.
- ✓ Countries with national health systems often have good health care at a lower cost because the government can buy drugs in bulk and control costs.

Arguments against this choice

- ✗ In Canada and other countries it's common to wait months for elective treatments or surgery.
- ✗ The steep tax increases needed to pay for this will slow the economy, and countries that have these systems often find their costs increasing.
- ✗ Under this plan, a government bureaucracy tells you what health care you can have.

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Chicework: Approach One

Use Competition to Make the System More Efficient

The main problem with the health care system is that costs keep going up. All the other problems in the health care system stem from this and won't be solved until we give everyone real choices and the ability to take responsibility for what they spend on care. That means reducing regulation and using free market competition to allow insurers to offer a wider range of plans. We should also embrace managed care, which watches expenses carefully and has already slowed down the increase in health care costs. By moving further in the direction of managed care, and adopting medical savings accounts, which encourage individuals to save and shop around for health care, we'll be able to bring down costs and cover more people.

What Should Be Done?

- ▶ Encourage more employers to provide coverage through HMOs and other forms of managed care to ensure competition.
- ▶ Encourage small businesses to join together in insurance pools to negotiate for better rates.
- ▶ Give patients more ways to pay for care, such as tax-free medical savings accounts that can be used for premiums, co-payments and deductibles.
- ▶ Encourage the use of lower-cost generic drugs and allow people to buy approved drugs from Canada and Europe. Charge patients more if they insist on brand-name drugs.
- ▶ Allow private insurers to create basic policies that would cover the most common problems and make coverage affordable for small businesses and individuals.

Arguments For This Approach

- ✓ If the health care system becomes more efficient, we can provide more services for more people, without spending more money.
- ✓ The constant rise in health care costs hurts everybody – it makes those with insurance pay more and it makes insurance too expensive for low-income people.
- ✓ The only way to control costs is for insurers, health care professionals and patients to make decisions about what they really want and need. That means empowering patients to set aside money tax-free for medical care and allowing them to seek out cheaper alternatives, like drugs from other countries.
- ✓ HMOs and other forms of managed care control costs by relying on competition, rather than heavy-handed government programs.

Arguments Against This Approach

- ✗ This approach will do little to expand health care to the millions of Americans who don't have insurance.
- ✗ This will mean patients will have to face a lot more red tape and may even be turned down for treatment an insurance company decides is too expensive.
- ✗ Under managed care, decisions about treatment are often made based on what's the cheapest treatment, not necessarily the best one.
- ✗ The real reason health care costs are going up is because of new, expensive treatments and that the population is getting older.
- ✗ This will require people to make critical, complicated choices when they're sick and at their most vulnerable.

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Chicework: Approach Two

Expand the Current System to Cover More People

We don't need to rip up the existing health care system and start over. We already have the best high-tech medical centers in the world and insurance programs in place that cover 85 percent of Americans. We can just extend those proven programs, public and private, to cover more people. We can also give employers financial incentives to cover more of their employees. The federal government already has effective health programs for the elderly (Medicare), the poor (Medicaid), low-income children (CHIP) and its own employees. If we expand the eligibility for those plans, we'll be able to cover more uninsured people with the least disruption to those who already have insurance. Gradually expanding the current system is the most practical way to cover more people without breaking the budget.

What should be done?

- ▶ Lower the Medicare eligibility age to 55.
- ▶ Extend the Children's Health Insurance Program cutoff age to 25.
- ▶ Increase Medicaid funding and raise the income cutoff to cover the working poor.
- ▶ Open up the federal employees health insurance program to allow individuals without insurance to buy coverage at favorable rates.
- ▶ Offer tax incentives for businesses to extend health coverage to part-time and low-wage workers.

Arguments for this choice

- ✓ By expanding existing programs and employer-provided insurance we can cover most of the uninsured.
- ✓ This is the least disruptive way of attacking the problem – it won't require massive changes in how the health care system operates or how people get their insurance.
- ✓ People will still be able to pick their own doctors and health plans and get the same quality of care.

Arguments against this choice

- ✗ This will be an expensive expansion at a time when the federal government already has a budget deficit, and we still will end up with some people uninsured.
- ✗ The Medicare program is already at risk and will likely go broke as it deals with aging baby boomers. Adding more people to Medicare will just cause the program to collapse more quickly.
- ✗ This will do nothing to control health care costs, which are rising at an outrageous rate.

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Choicework: Approach Three

Create a National Health Care System

Decent health care ought to be a basic right, not something that depends on the job you hold. Our patchwork health care system of private insurance and government programs simply isn't working. It's time to try what Canada and most European countries already have: a national, government-run health care system. The system would work much like Medicare, except that everyone would be entitled to coverage, regardless of age, income or job status. Like Medicare, you'd still pick your own doctor, but the government would get the bill. We've debated what to do about health care for years, but nothing else has solved the problem. This is the only way to solve the problem of the uninsured, once and for all.

What should be done?

- ▶ Create a Medicare-style "single payer" system, where the government provides health insurance for everyone.
- ▶ Allow patients to get a standard list of covered health services from any doctor or hospital in the program.
- ▶ Raise taxes or repeal existing tax cuts to fund the program.
- ▶ Tie the new health insurance system into existing government programs to promote good nutrition, mental health awareness and exercise.

Arguments for this choice

- ✓ Health care should be a right, not a privilege for those lucky enough to have a good job, or to be over a certain age. This approach is the only way to guarantee that everyone gets medical care.
- ✓ Countries with national health care systems often have good health care at a lower cost because the government can make bulk purchases of drugs and control costs.
- ✓ This will actually reduce paperwork. Doctors and hospitals will only have to deal with one set of forms and one government agency, rather than dozens of private companies and government agencies, all with different rules.
- ✓ Any new taxes will be offset by the savings earned when employers and workers no longer have to pay insurance premiums.

Arguments against this choice

- ✗ Under this plan, a government bureaucracy tells you what health care you can have.
- ✗ In Canada and other countries it's common to wait months for elective treatments or surgery.
- ✗ This will require steep tax increases. All the health care costs now paid by private industry would be taken on by the taxpayers.
- ✗ The Canadian and European health care systems are expensive and those nations struggle to cover their costs without breaking the budget.
- ✗ Health costs will still be a burden to businesses, which will trade a health insurance plan they control for a health care tax they can't.

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Status Report: Where Are We Now?

The problem with the American health care system is simple and persistent: Some people just can't afford to get sick.

Medicine offers new and better treatments every day and more than a few are developed in the U.S. – there's a reason why people from overseas fly here for advanced treatments. But some 43 million Americans don't have health insurance, and those who do are paying more and more.

Health care experts say there are three key qualities a good system should have: quality, access and reasonable cost. But it's difficult to get all three at the same time. If you offer coverage to everyone, costs will go up. If you act aggressively to control costs, you might have to cut quality. Offer the best high-tech care, and you may not have the money to extend

coverage to more people.

And you don't have to be sick or uninsured to have a personal stake in this debate. If you get insurance from your employer, rising premiums are probably taking a bite out of your take-home pay. If you're young and healthy, maybe you can "go bare" and gamble on going without insurance. But for many people with families to care for or illnesses of their own, fear of losing insurance can keep them in jobs they don't like – or threaten their financial security if they become unemployed.

The American way

In many European countries and Canada, there are government-run health care systems that cover everybody – in fact many of those nations guarantee health care as



More information on skyrocketing prescription drug costs is available in our issue guides on [Health Care](#) and [Medical Research](#).

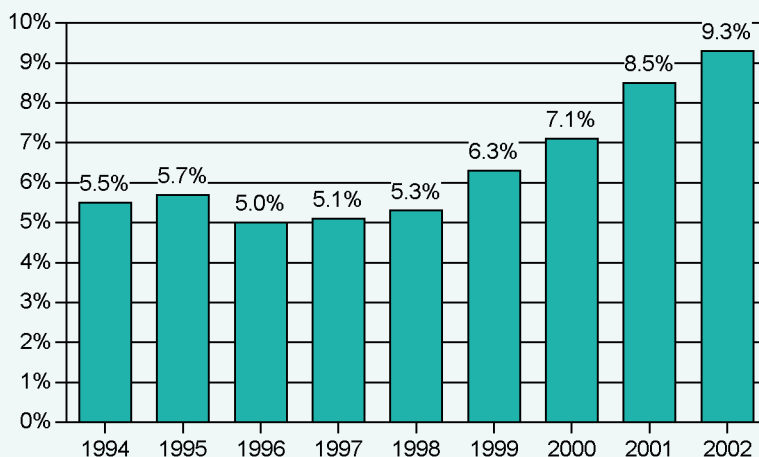
a basic right, much as Americans have the right to attend a public school.

In the U.S., while people sometimes talk about health insurance as a right, it really isn't. For most Americans, health coverage is a benefit they get from their employer, like paid vacation. And like paid vacation, the employer is not required to offer insurance. Some government programs offer health insurance to the elderly (Medicare), the poor (Medicaid) and children (the Children's Health Insurance Program).

So when people talk about "the health care system," they're talking about a hodgepodge of programs that cover some people and not others, and benefits that vary from situation to situation. Changing the system is politically difficult. Even attempts to make the current system more effective run the risk of alienating special interests ranging from businesses, unions and the elderly to doctors, drug companies and insurers.

Rate of growth of health care spending on the rise

Average annual percentage growth in national health expenditures, 1994-2002



Source: "National Health Expenditures," January 2004, Centers for Medicare and Medicaid Services

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Who's got it, who doesn't

About 43 million people, or 15.2 percent of the population, lacked health insurance during 2002, the latest year figures are available from the Census Bureau. But certain groups are more likely to have insurance than others:

▶ *The elderly.* Granted, Medicare has flaws – it doesn't cover everything and it's likely to go broke eventually unless reforms are made. But thanks to Medicare, nearly everyone over 65 has health coverage.

▶ *People who work for large- and mid-sized organizations.* Almost all companies (98 percent) with more than 200 employees offer health insurance. Employee insurance policies almost always cover the spouses and children of workers as well. By comparison, only two-thirds of business with fewer than 200 workers offer insurance, according to the Kaiser Family Foundation.

Likewise, there are people who are more likely to be uninsured:

▶ *Young people.* Nearly 30 percent of those aged 18-to-24 are without health insurance, according to the Census Bureau. This is

probably because most young people have entry-level jobs that don't provide insurance. Then again, young people tend to be healthier and have less need for insurance.

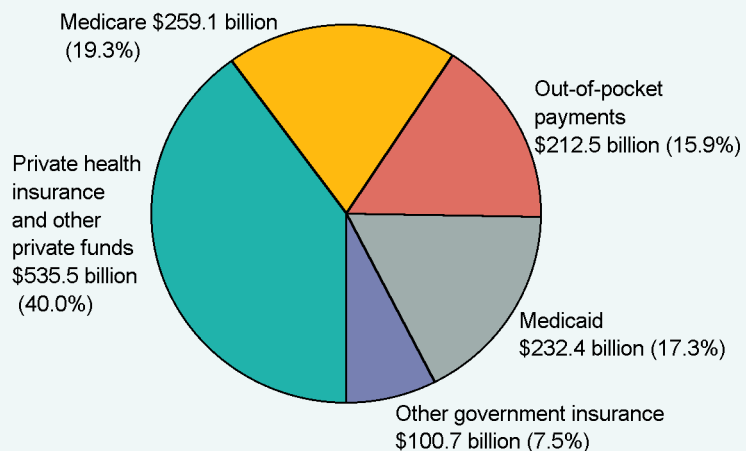
▶ *Low-income people and the unemployed.* When people lose their jobs, they lose their benefits too, although federal law allows people to continue their employer

insurance at their own expense for up to 18 months. Many low-wage or part-time jobs don't offer any kind of benefits, so the working poor rarely have insurance. Medicaid does cover many poor people, but not all of them.

▶ *Minorities.* Nearly a third of Hispanics lack insurance, according to the census, while both blacks and Asians are more likely

Private vs. public expenditures on health care

Personal health care spending by source of funds, 2002



Source: "National Health Expenditures," January 2004, Centers for Medicare and Medicaid Services

The Public's Viewpoint

There is a lot of ambivalence and many contradictions in public attitudes on health care. The answers in opinion surveys conflict and sometimes seem to change depending on how the question is phrased, which to pollsters is an indication that people haven't thought through an issue.

In surveys, the public thinks health care is important, but not as important as terrorism, the

economy or education. **Most people considered cost and access to health care as the most urgent health problems** in 2003, compared to 1999 when AIDS and cancer topped the list. A majority says the health care system needs fundamental changes.

Yet **most Americans say they're satisfied with the quality of health care they receive and their own insurance coverage.** Most Americans say the federal government

should guarantee health insurance for all Americans, and even support a government-run universal health care system, but support falls if it means a limited choice of doctors or waiting lists for treatment. While majorities say they support the idea of prescription drug benefits for seniors, Americans are divided on the actual changes recently made to Medicare.

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to go without than whites. Most experts believe this is at least partially because minorities are more likely to have low-wage jobs.

No job, no insurance

Because so many people get health coverage as part of their job (some 61 percent of the population all told), there's a predictable pattern among the uninsured: when the economy is booming as it was in the late 1990s, more people have coverage. When there's a recession, the number of uninsured goes up.

Of course, anybody can go to their neighborhood insurance agent and buy a health policy – but since you don't get the group discounts businesses get, you'll be paying the highest rates. Only 5 percent of the population has these individual policies.

The price of health

For those who do have insurance, it isn't cheap. Health care spending increased 7.8 percent in 2003, according to federal government estimates. If nothing changes, the government estimates the U.S. will be spending \$3.4 trillion a year, or more than 18 percent of the gross domestic product, on health care by 2013.

Health care experts say the biggest factors driving increased costs are the cost of prescription drugs and the overall aging of the population. Life expectancy has grown dramatically, with both men and women gaining an average of eight years since 1950. But as people get older, they often get sicker and that drives up their health costs.

The number of prescriptions dispensed increased by 65

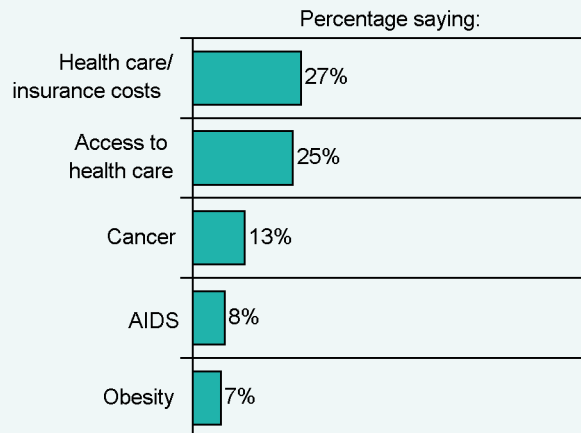
percent between 1993 and 2001, while the average price of a prescription jumped 85 percent. Critics point out that prescriptions cost less overseas. The pharmaceutical companies contend that high prices are the cost of innovation as they research new drugs – drug firms spent \$30.3 billion on research in 2001.

Some other analysts point to other factors driving up costs, such as malpractice litigation (and over-cautious treatment by doctors to avoid it) and the paperwork needed to deal with all the private and public insurers.

Businesses have to make a profit, after all, and money that goes to health insurance isn't there for pay raises, other benefits or hiring more workers. So health care costs directly affect take-home pay as many employers require workers to pay part of their health insurance costs.

Cost and access to health care are the most urgent health problems in the eyes of the public

What would you say is the most urgent health problem facing this country at the present time?



Source: Gallup Organization 11/03

Face the Facts

The average annual premium to provide health insurance to an individual employee was \$3,383 in 2003, of which the employer paid \$2,875 and the worker made up the difference. To cover a family of four, the average annual premium was \$9,068. The worker contributed \$2,412 and the employer paid \$6,656, according to a survey by the Kaiser Family Foundation.

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Additional Resources

- ▶ Visit our partner, [The New York Times Learning Network](#) for the latest campaign news, stories, and information on what the candidates are saying about these issues. For more information specifically on health care, visit their [Issues in Depth](#) section.
- ▶ Even more information about the candidates and the campaign is available from our partner, [MTV's Choose or Lose](#).
- ▶ **Youth Vote** is the nation's largest nonpartisan coalition working to increase the political involvement of 50 million Americans between 18-30 years old. The Youth Vote coalition consists of over one hundred diverse national organizations representing hundreds of organizations and millions of young people.
- ▶ **Kids Voting USA** fosters an informed electorate by educating and engaging students and their families in voting and other elements of effective civic engagement.
- ▶ To find out more about specific candidates running for office in your area, we suggest the nonpartisan Web sites [Project Vote Smart](#) or [DemocracyNet](#).
- ▶ For more information on health care, visit [Public Agenda Online's issue guide](#).
- ▶ Think you know this topic? Try our [Test Your Knowledge](#) feature.
- ▶ Think these choices don't go far enough? Do you want to mix and match options? Visit Public Agenda Online and try our [Create Your Own Choicework](#) feature.
- ▶ Want to find organizations on all sides of this issue? Visit [Sources and Resources](#).
- ▶ Funding for First Choice 2004 was provided by the [Carnegie Corporation of New York](#).

Set Your Own Priorities

Making public policy decisions isn't just about choosing the best way of attacking a problem – you also have to consider which problem should be tackled first. There are lots of things the government *could* do, and many it *should* do, but not even the federal government can do everything at once. So priorities have to be set. With our [First Things First](#) feature on Public Agenda Online, you can work through what you think the next administration should do – and what it should do first. Find out more at:

www.publicagenda.org/firstchoice2004/first-things-first.cfm

Find Out More About the Issues

If you like this edition of *First Choice 2004*, read some of our companion guides on:

- ▶ Terrorism and Foreign Policy
- ▶ Health Care
- ▶ Race and Affirmative Action
- ▶ Gay Rights
- ▶ Paying for College
- ▶ The Environment
- ▶ Jobs and the Economy
- ▶ Taxes and the Deficit
- ▶ Immigration

For even more detail, visit [Public Agenda Online](#), which offers nonpartisan issue guides on 21 issues ranging from abortion to welfare reform.