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Ten GOP Health Ideas for Obama

We don't need to study lawsuit reform for one minute longer

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"If you have a better idea, show it to me." That was President Barack Obama's challenge two weeks ago to House Republicans regarding health-care reform. He has since called for a bipartisan forum, not to start over on health reform but to "move forward" on the "best ideas that are out there."

The best ideas out there are not those that were passed by the House and Senate last year, which consist of more spending, more regulations and more bureaucracy. If the president is serious about building a system that delivers more quality choices at lower cost for every American, here's where he should start:

Make insurance affordable. The current taxation of health insurance is arbitrary and unfair, giving lavish subsidies to some, like those who get Cadillac coverage from their employers, and almost no relief to people who have to buy their own. More equitable tax treatment would lower costs for individuals and families. Many health economists conclude that tax relief for health insurance should be a fixed-dollar amount, independent of the amount of insurance purchased. A step in the right direction would be to give Americans the choice of a generous tax credit or the ability to deduct the value of their health insurance up to a certain amount.

Make health insurance portable. The first step toward genuine portability—and the best way of solving the problems of pre-existing conditions—is to change federal policy. Employers should be encouraged to provide employees with insurance that travels with them from job to job and in and out of the labor market. Also, individuals should have the ability to purchase health insurance across state lines. When insurers compete for consumers, prices will fall and quality will improve.

Meet the needs of the chronically ill. Most individuals with chronic diseases want to be in charge of their own care. The mother of an asthmatic child, for example, should have a device at home that measures the child's peak airflow and should be taught when to change his medication, rather than going to the doctor each time.

Having the ability to obtain and manage more health dollars in Health Savings Accounts is a start. A good model for self-management is the Cash and Counseling program for the homebound disabled under Medicaid. Individuals in this program are able to manage their own budgets and hire and fire the people who provide them with custodial services and medical care. Satisfaction rates approach 100%, according to the Robert Wood Johnson Foundation.

We should also encourage health plans to specialize in managing chronic diseases instead of demanding that every plan must be all things to all people. For example, special-needs plans in Medicare Advantage actively compete to enroll and cover the sickest Medicare beneficiaries, and stay in business by meeting their needs. This is the alternative to forcing insurers to take high-cost patients for cut-rate premiums, which guarantees that these patients will be unwanted.

Allow doctors and patients to control costs.

Doctors and patients are currently trapped by government-imposed payment rates. Under Medicare, doctors are not paid if they communicate with their patients by phone or e-mail. Medicare pays by task—there is a list of about 7,500—but doctors do not get paid to advise patients on how to lower their drug costs or how to comparison shop on the Web. In short, they get paid when people are sick, not to keep them healthy.

So long as total cost to the government does not rise and quality of care does not suffer, doctors should have the freedom to repackage and reprice their services. And payment should take into account the quality of the care that is delivered. Once physicians are liberated under Medicare, private insurers will follow.

Don't cut Medicare. The reform bills passed by the House and Senate cut Medicare by approximately \$500 billion. This is wrong. There is no question that Medicare is on an unsustainable course; the government has promised far more than it can deliver. But this problem will not be solved by cutting Medicare in order to create new unfunded liabilities for young people.

Protect early retirees. More than 80% of the 78 million baby boomers will likely retire before they become eligible for Medicare. This is often the most difficult time for individuals and

families to find affordable insurance. A viable bridge to Medicare can be built by allowing employers to obtain individually owned insurance for their retirees at group rates; allowing them to deposit some or all of the premium amount for post-retirement insurance into a retiree's Health Savings Account; and giving employers and younger employees the ability to save tax-free for post-retirement health.

Inform consumers. Patients need to have clear, reliable data about cost and quality before they make decisions about their care. But finding such information is virtually impossible. Sources like Medicare claims data (stripped of patient information) can help consumers answer important questions about their care. Government data—paid for by the taxpayers—can answer these questions and should be made public.

Eliminate junk lawsuits. Last year the president pledged to consider civil justice reform. We do not need to study or test medical malpractice any longer: The current system is broken. States across the country—Texas in particular—have already implemented key reforms including liability protection for using health information technology or following clinical standards of care; caps on non-economic damages; loser pays laws; and new alternative dispute resolution where patients get compensated for unexpected, adverse medical outcomes without lawyers, courtrooms, judges and juries.

Stop health-care fraud. Every year up to \$120 billion is stolen by criminals who defraud public programs like Medicare and Medicaid, according to the National Health Care Anti-Fraud Association. We can help prevent this by using responsible approaches such as enhanced coordination of benefits, third-party liability verification, and electronic payment.

Make medical breakthroughs accessible to patients. Breakthrough drugs, innovative devices and new therapies to treat rare, complex diseases as well as chronic conditions should be sped to the market. We can do this by cutting red tape before and during review by the Food and Drug Administration and by deploying information technology to monitor the quality of drugs and devices once they reach the marketplace.

The solutions presented here can be the foundation for a patient-centered system. Let's hope the president has the courage to embrace them.

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