



U.S. Health Care Reform – Does Corporate America Get It?

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Yes! Yes! Yes!

- **Number of uninsured is growing at epidemic proportions**
- **Nearly 47 million Americans – one in six individuals – lack appropriate health coverage and access to care**
- **Unsustainable trends: By 2012, if trends persist, the number of uninsured will climb by 7 million (to 54 million)**
- **Health cost will top \$10,000 per capita and business costs will rise by 55 percent**
- **Increase in cost of health care and, consequently, cost of coverage, has far outpaced wage increases for average Americans**
- **Absent an employer or government subsidy, health care coverage is simply unaffordable for many Americans**



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Why Does Corporate America Want Health Care Reform...

Rising Health Cost Stress Businesses:

- **Business provide health insurance for 61% of all non-elderly Americans and finance a quarter of our \$2 trillion dollar health system**
- **Yet, job-based health insurance premiums have increased by 98% in the last 7 years**
- **This is nearly five time faster than rate of inflation**



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Affects of Rising Cost on Corporate America

- **To expensive for them to provide health insurance**
- **Challenges for small business – only 45% of business with fewer than 10 workers provided health insurance in 2007, down from 57% in 2000**
- **Impedes companies viability in global marketplace**
- **Preventing employers from covering their retirees**
 - **By 2007 only 33% of large firms offered retiree health benefits**
 - **In 2006, 46% of large firms capped spending on retiree benefits**



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Further Impacts of Increasing Health Care Cost...

- **Limits ability of businesses to invest in new opportunities**
- **Increases the cost of American goods and services**
- **Decreases competitiveness in international markets**
- **Decreases inflation-adjusted employee earnings**
- **Reduces economic growth and rates of employment**
- **Reduces productivity since uninsured employees have more absenteeism and sub-par performance at work due to ill health**



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Few Options for Corporate America...

- **Many cost-control strategies are being offered including scaled-back benefits and higher cost sharing**
- **Less coverage – proportion of firms offering health insurance fell from 69% to 60% from 2000 – 2007**
 - **Roughly 80% of uninsured are in working families**
- **Hidden tax – reduced coverage does not eliminate health cost; cost get shifted to those who can pay in form of increased premiums**



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Unrelenting and Unsustainable Trends: SOLUTIONS...

- **Comprehensive, structural health reform is essential to ensure that US corporations maintain their prominent position in global economic and political leadership**
- **Most corporations believe strong, organized and diverse leadership is necessary to repair America's broken health care system**
- **Through use of collective resources and efforts of corporate America, the aim is to achieve universal awareness of the need for health care reform**



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Four Principles of Corporate America's Goal for Reform

- 1. Every person in America must have quality, affordable health insurance coverage**
- 2. Individuals have a responsibility to maintain and protect their health**
- 3. America must dramatically improve the value it receives for every health care dollar**
- 4. Business, government, and individuals all should contribute to managing and financing a new American Health Care System**



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Corporate America Pushes Health Care Reform

In May of 2007, Business lobby's traditional stance of resisting health care reform was being abandoned for a more proactive stance

Over 36 major companies launched Coalition to Advance Health care Reform calling for universal health care and,

Coalition wants health care reform to follow core principles

1. Mandatory universal health care
2. Subsidies for low income citizens
3. Coverage for pre-existing medical conditions
4. Programs that offer incentives for preventive care and healthy lifestyles
5. Tax relief for citizens who buy their own insurance
6. Transparency in fees and cost of treatment



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What We Believe...

Blue Cross and Blue Shield of Florida (BCBSF) believes that the severity of the affordability and uninsured issues require a case for transformational change in today's health care environment



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BCBSF's Vision of Reform

Our vision for reform includes five critical elements:

- 1. Wellness and prevention**
- 2. Evolution in health care delivery**
- 3. Universal coverage**
- 4. Consistent and equitable funding for safety net**
- 5. Personal responsibility**



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Our Vision....

- **BCBSF's mission is to advance the health and well-being of Florida's citizens**
- **Moves us to work toward a system where appropriate health care is available to all**
- **But we certainly can't do it alone**



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Change can only be accomplished...

- **When all involved in health care delivery, financing, supply, and utilization agree on a platform for reform**
- **Until all involved recognize that current model is unsustainable**
- **If health care industry doesn't come together quickly, a declining economy will drive a political agenda with unknown consequences**



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Wellness and Prevention

- **BCBSF envisions a medical delivery system that evolves from an illness model to a wellness model**
- **Today, doctors and other providers are paid to treat the sick with little financial reward for keeping people healthy**
- **Shouldn't this paradigm be changed?**
- **What if incentives for preventive medicine and wellness were offered to both patients and providers?**



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Wellness and Prevention (continue...)

- **We ask question...What if wellness education was offered at a young age and continued through one's entire educational career?**
- **Should physical education classes be mandatory again, placing heavier emphasis on fitness and diet?**
- **We believe...overall, our health care financing needs to be realigned to reward both the practitioners and consumers who achieve the best health outcomes.**



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Evolution in Health Care Delivery...

- **BCBSF and other payers need to work with partners to implement critical changes in medical delivery**
- **A system that embraces objective, proven clinical standards as foundation for reimbursement is goal**
- **Physicians should be rewarded for adherence to these standards and for enhanced value that efficient, integrated and clinically appropriate care provides**
- **Protections from legal liability can be legislated to shield clinicians and eliminate costs caused by defensive medicine and malpractice lawsuits**



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Universal Coverage

- **For insurance industry and medical community to successfully implement system changes that would bring coverage to all Americans, BCBSF envisions the federal government playing a significant role**
- **For those individuals and businesses that do not obtain coverage voluntarily, an enforceable mandate must be created**
- **Policy studies consistently find that a voluntary system cannot produce universal participation**



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Universal Coverage....

- **Our country's compassion has created a safe haven of emergency room treatment for all**
- **The cost of this care is being borne by a diminishing number of insured**
- **The fundamental principle of spreading risk can only be achieved when all of those capable of paying for their own or their employees' coverage are mandated to do so with appropriate incentives**
- **Those who do not have the financial ability should receive a meaningful public subsidy**



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Consistent and Equitable Funding for Safety Net Programs

- **We believe best approach will spread risk nationwide**
- **Public subsidies and safety net programs should be equitably funded across the states**
- **Florida has a disproportionate responsibility of caring for seniors in long-term care settings**
- **While an increase in taxes would be necessary, long-term care costs should be part of Medicare**



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Personal Responsibility

- **Finally, BCBSF believes private and public entities, along with federal government, can create an environment that encourages personal responsibility for each individual**
- **It took only one generation to reduce the number of smokers by half...**
- **We believe we can work together to address and improve conditions that deplete most of our health care dollars; like asthma, diabetes, heart disease and depression**



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Summary

- **BCBSF is not promoting a vision of utopia but rather asking everyone to take an active role in developing and supporting a long-term view of a healthy Florida and United States for our future generations**
- **As we move toward health care reform, BCBSF pledges to continue dialogue, develop solutions that align with our vision and work with all stakeholders to develop integrated approaches to health care affordability and access**



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***Corporate America and BCBSF
Does Get It!!!***