

The Presidential Health Care Plans: What You Need to Know

An Alliance for Health Reform Toolkit

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President Barack Obama and GOP presidential nominee Mitt Romney are battling daily on the campaign trail over health care issues. While the economy continues to top the public's interest in the 2012 election, opinion polls show that health care has become a top tier issue.

But sorting out what the candidates are proposing is difficult, partly because President Obama's plan going forward is based on the 2010 Patient Protection and Affordable Care Act (ACA), while Gov. Romney's is more conceptual. Indeed, presidential candidates rarely put forward detailed blueprints, especially when it comes to controversial subjects.

The debate can be boiled down to three central questions. Should the country continue to implement the ACA, should states receive federal block grants to run Medicaid as they wish, and how can the federal government lower costs in Medicare, the health care program for seniors and the disabled?

President Obama's plan to get insurance coverage to most Americans is based on the ACA. But while the Supreme Court in June ruled that the federal government could require people to purchase insurance through state marketplaces called exchanges starting in 2014, it said that states could opt out of expanding their Medicaid programs that year.ⁱ It is not yet clear how many states may choose not to expand their Medicaid programs.

Gov. Romney, meanwhile, has vowed to repeal the law if he is elected, and instead encourage people to buy coverage by giving them tax incentives, and by allowing them to purchase policies across state lines.ⁱⁱ He would also give states block grants with few strings attached to tailor Medicaid to their individual needs.ⁱⁱⁱ Currently, Medicaid is a federal-state partnership: In return for federal matching money, states must cover certain low-income populations with specific benefits.^{iv}

There is also significant confusion about the future of Medicare with each candidate. The program currently delivers health care to 49 million Americans, and is growing fast.^v The first of the baby boomers became eligible in 2011, and the program already accounts for about 15 percent of federal spending.^{vi}

President Obama has maintained that provisions of the ACA will save Medicare money and improve patient care.

Gov. Romney argues that the way to "save" Medicare is to allow participating private health plans - and also the traditional, government-run program - to compete.^{vii}

Both candidates have proposed limiting federal payments for the Medicare program in the future if spending too greatly outpaces the growth of spending in the economy.

FAST FACTS

INSURANCE COVERAGE

President Barack Obama: Require most people to buy coverage, provide low-income subsidies, expand Medicaid.

Gov. Mitt Romney: Provide tax breaks to encourage insurance purchases, allow policy purchases across state lines.

- 15.7 percent of people (48.6 million) were uninsured in 2011.^{viii} Private coverage remained relatively constant, while Medicaid and Medicare enrollment grew.^{ix}
- 9.8 percent of people (30.2 million) bought insurance on the individual market in 2011, which was similar to levels for 2010.^x
- 55.1 percent of people (170 million) were covered by employment-based health benefits in 2011. That's significantly less than the peak year for employment-based coverage, when 65 percent of the population received insurance that way.^{xi}

MEDICARE

President Barack Obama: Generally maintain Medicare's current structure, but limit federal spending and experiment with new ways to pay for value.

Gov. Mitt Romney: Require private health plans to compete with each other and with traditional Medicare, and limit federal spending.

- 50 million older and disabled people get health care through the federal Medicare program, and the first of the baby boomers became eligible in 2011.^{xii}
- About half of Medicare beneficiaries have annual incomes below \$22,000.^{xiii}
- About three-quarters of beneficiaries get services through Medicare's traditional, government-run program, often called fee-for-service. The remainder choose private Medicare Advantage health plans – mostly HMOs and PPOs.^{xiv}
- Medicare consumes about 15 percent of the federal budget, and the program's Hospital Insurance trust fund is currently estimated to remain solvent through 2024.^{xv}

MEDICAID

President Barack Obama: Require states to expand Medicaid coverage.

Gov. Mitt Romney: Repeal ACA (along with expansion) and block grant Medicaid.

- Medicaid currently covers 1 in 5 low-income Americans, and is the largest source of coverage for nursing home and community-based long-term care.^{xvi}

- Medicaid is a federal-state partnership. States administer the program, and the federal government matches state spending. The federal government currently picks up about 57 percent of Medicaid costs, although the percentage varies from state to state.^{xvii}
- The ACA will extend coverage to all people with annual incomes up to 138 percent of the federal poverty level (\$31,809 for a family of four in 2012), starting in 2014.^{xviii} States, however, can choose not to expand their coverage, based on the Supreme Court ruling in June 2012.^{xix}

RESOURCES

HEALTH REFORM

Obama and Romney on the issues: Health Care

The Washington Post, N.C. Aizenman and Sandhya Somashekhar, October 5, 2012

http://www.washingtonpost.com/politics/decision2012/obama-and-romney-on-the-issues-health-care/2012/10/05/ee3db136-0f0d-11e2-bd1a-b868e65d57eb_story_4.html

This article provides an in-depth comparison of the positions of the candidates, and also includes short profiles about the people who are advising them on health care issues.

Election 2012: Health Reform and the Presidential Candidates

The New England Journal of Medicine, September 26, 2012

<http://www.nejm.org/doi/pdf/10.1056/NEJMp1211514>

The presidential nominees discuss their visions for the future of the nation's health care system in this perspective piece. President Obama describes his health care platform of continuing implementation of the ACA and Gov. Romney provides his platform on repealing and replacing it.

Health Care in the 2012 Presidential Election – How the Obama and Romney Plans Stack Up

The Commonwealth Fund, Collins, Sara R. et al., October 2012

<http://www.commonwealthfund.org/Publications/Fund-Reports/2012/Oct/Health-Care-in-the-2012-Presidential-Election.aspx>

This recently released report compares projections for the presidential candidates' health care plans. It considers seven key questions, including whether the plans increase the number of Americans with health insurance, make health insurance more affordable, protect consumers, improve consumer choice, help small businesses, improve Medicare, improve health care quality and slow health care spending growth.

Obama's Health Care Record

Kaiser Health News, September 10, 2012

<http://www.kaiserhealthnews.org/Stories/2012/September/10/Obama-on-health-care.aspx>

This resource page tracks President Obama's record on health policy issues, including; Medicaid and Medicare, his philosophy on health reform, his position on health care marketplaces, and his views on women's health issues. The resource guide uses the president's 2008 campaign

positions on health policy as a starting point for his record and continues through the enactment of the ACA and later proposals to control health care spending.

Mitt Romney on Health Care

Kaiser Health News, Matthew Fleming and David Schultz, August 01, 2012

<http://www.kaiserhealthnews.org/Stories/2012/August/02/Romney-Republican-candidate-on-health-care.aspx>

This resource page, tracks Gov. Romney's record on health policy issues, including Massachusetts' health reforms; Medicare and aging; his position on health care marketplaces; his philosophy on health reform; Medicaid; and abortion and contraception issues. The resource guide uses health reform in Massachusetts as a starting point for the governor's record and includes his perspective on current health policy issues on the federal level.

Dismantling The Affordable Care Act: What Could a President Romney and Hill Republicans Do?

Health Affairs Blog, Timothy Jost, September 20, 2012

<http://healthaffairs.org/blog/2012/09/20/dismantling-the-affordable-care-act-what-could-a-president-romney-and-hill-republicans-do/>

The blog post describes the procedural hurdles of repealing and replacing the Affordable Care Act and discusses the limitations of using budget reconciliation to replace elements of the law. The post also discusses potential scenarios on the congressional and administrative levels and the implications of each possible scenario.

Obamacare Remains a Budgetary and Policy Disaster

The Heritage Foundation, James C. Capretta, August 2, 2012

<http://www.heritage.org/research/reports/2012/08/obamacare-remains-a-budgetary-and-policy-disaster>

This report discusses the sustainability, or lack thereof, of the ACA. The report examines the findings of a Congressional Budget Office report released after the Supreme Court decision, on the updated cost estimate for the law.

Romney Budget Proposals Would Necessitate Very Large Cuts in Medicaid, Education, Health Research and Other Programs

Center on Budget and Policy Priorities, Richard Kogan and Paul Van de Water, September 24, 2012

<http://www.cbpp.org/cms/index.cfm?fa=view&id=3658>

This report analyzes Gov. Romney's proposal to cap total federal spending at 20 percent of Gross Domestic Product and boost defense spending to 4 percent of GDP. The report finds that Gov. Romney's proposal would require large budget cuts in non-defense programs and discusses what these cuts mean for specific programs, both entitlements and discretionary programs.

Obama vs. Romney: A Detailed Analysis of Mitt Romney's Health Care Reform Plan

Marketplace Review, Robert Laszewski, September 10, 2012

<http://www.healthpolicyandmarket.blogspot.com/2012/09/a-detailed-analysis-of-mitt-romneys.html#more>

The author examines Gov. Romney's health policy plans as outlined on his website, and explores the deeper implications of the proposals.

Summary of New Health Reform Law

Kaiser Family Foundation, April 19, 2011

<http://www.kff.org/healthreform/upload/8061.pdf>

This brief provides a summary of the Affordable Care Act provisions.

MEDICARE

Where They Stand on Your Issues: President Barack Obama and GOP presidential nominee Mitt Romney talk to AARP Bulletin

AARP Bulletin, October 2012

<http://www.aarp.org/politics-society/government-elections/info-10-2012/obama-romney-where-they-stand-on-your-issues.html?intcmp=BUBB1>

The following bulletin provides the presidential nominees' positions on the future of Medicare and Social Security, and also highlights additional concerns for Americans, such as the current budget deficit. President Obama discusses his plan for Medicare, if re-elected, and also explains the significance of signing the ACA into law. Governor Romney describes his proposal and rationale to provide government subsidies to future Medicare enrollees (those under 55) to help enrollees purchase traditional Medicare coverage or a participating private health plan. He also discusses his position on the Affordable Care Act and how it can affect the economy.

Health Policy Brief: Health Reform's Changes in Medicare

Health Affairs, May 20, 2010

http://www.healthaffairs.org/healthpolicybriefs/brief.php?brief_id=17

This policy brief provides a good basic background and overview of what's in the ACA regarding Medicare.

Medicare Provisions in the Patient Protection and Affordable Care Act (PPACA): Summary and Timeline

Congressional Research Service, Patricia Davis, et al. . January 24, 2011

<http://healthreformgps.org/wp-content/uploads/Medicare-Provisions-in-the-ACA-Summary-and-Timeline.pdf>

This CRS report provides an in-depth look at the provisions in the health reform law pertaining

to Medicare. It includes information on the CBO score, the new benchmarking for payments to Medicare Advantage plans, and many charts and figures.

Stronger Benefits for Seniors, Billions in Savings this Year

HealthCare.Gov, Health Care Blog. May 24, 2012

<http://www.healthcare.gov/blog/2012/05/medicare052412.html>.

This blog post provides Secretary Sebelius' view of Medicare and what beneficiaries gain under the health reform law.

Medicare Advantage 2012 Data Spotlight: Enrollment Market Update

The Kaiser Family Foundation

<http://www.kff.org/medicare/8323.cfm>.

Medicare Advantage plans have been steadily gaining market share and are now over 25%. However, the majority of beneficiaries are still in traditional Medicare (fee-for-service). Mitt Romney has been claiming that the health reform law reductions in payments to Medicare providers will cause millions of Americans to lose their coverage. Here are the current numbers of beneficiaries in Medicare Advantage plans, the plans under greatest threat by reduction in payments.

The Future of Medicare

The Commonwealth Fund Blog, Karen Davis. October 2, 2012

<http://www.commonwealthfund.org/Blog/2012/Oct/Future-of-Medicare.aspx>

In this blog post, Davis takes a look at premium support, a strategy supported by Mitt Romney and proposed by Congressman Ryan. She also considers other options and how they compare to Romney's plan for the future of Medicare

Examining Obama versus Ryan on Controlling Federal Medicare Spending

Kaiser Health News, Marilyn Werber Serafini. August 29, 2012

<http://www.healthcarefinancenews.com/news/6-questions-ryan-vs-obama-medicare-spending-plans>.

This article presents some questions and answers about the Democratic and Republican approaches to moderating spending on Medicare, and specifically how they are similar and different. Questions include how much would be cut, how this would affect seniors, including what they might expect to pay for coverage, and what's next for Medicare under deficit reduction or a new president.

Romney's Health Care Plans Don't Exempt Today's Seniors

Washington Post, Sarah Kliff. September 17, 2012

<http://www.washingtonpost.com/blogs/ezra-klein/wp/2012/09/17/romneys-health-care-plans-dont-exempt-todays-seniors/>

This article looks at how a potential repeal of the ACA may affect out-of-pocket costs for seniors. It especially looks at the provisions in the ACA regarding Medicare.

Data Note: Repealing the Affordable Care Act: Implications for Medicare Spending and Beneficiaries

Kaiser Family Foundation. September 10, 2012

<http://www.kff.org/medicare/8354.cfm>

Gov. Romney and many of his fellow Republicans have vowed to repeal the ACA. Reviewing the impact repeal would have on Medicare, this “Data Note” indicates that Medicare spending would increase by an additional \$716 billion over 10 years, Medicare's hospital trust fund would become insolvent four years from now, in 2016, eight years earlier than current projections, and many beneficiaries could see increases in premiums and costs for other services.

How Romney Can Reduce Spending While Repealing Obama’s Cuts to Medicare

Forbes, Avik Roy, August 15, 2012;

<http://www.forbes.com/sites/aroy/2012/08/15/how-romney-can-reduce-spending-while-repealing-obamas-cuts-to-medicare/>

The author attempts to show that the impact of repealing Obamacare’s Medicare cuts is not that large. He goes on to say that Romney’s proposals go further towards needed deficit reduction than Obama’s plan and that various options proposed by Romney do not alter Medicare’s basic structure.

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Websites

Alliance for Health Reform	www.allhealth.org
American Enterprise Institute	www.aei.org
The Brookings Institution	www.brookings.org
Center for Medicare Advocacy, Inc	www.medicareadvocacy.org
Center for Studying Health Systems Change	www.hschange.com
Center on Budget and Policy Priorities	www.cbpp.org
Centers for Medicare and Medicaid Services	www.cms.hhs.gov
The Commonwealth Fund	www.commonwealthfund.org
Congressional Budget Office	www.cbo.gov
Kaiser Family Foundation	www.kff.org
Medicare Payment Advisory Commission	www.medpac.gov
Robert Wood Johnson Foundation	www.rwjf.org
The SCAN Foundation	www.thescanfoundation.org
The Urban Institute	www.urban.org

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