

Health Care Reform: Controlling Costs

ANA believes that health care is a basic human right, and supports the World Health Organization's challenge – originally articulated in 1978, and reaffirmed as late as 2007 – for all nations to provide a basic level of health care to their citizens. The U.S. is the only industrialized country that does not explicitly express a commitment to its people to take care of at least their basic health needs.

ANA believes that the current health care system must be reshaped and redirected away from the overuse of expensive, technology-driven, acute hospital-based services to one in which a better balance is struck between high-tech treatment and community-based and preventive services. The high costs of uncompensated care for the uninsured, the prevalence of treatments in more expensive settings, and lack of sufficient preventive, wellness and health education services are being borne by all taxpayers and health insurance policy holders.

The health care reform proposals currently under consideration in Congress would build upon our current system to strengthen and preserve the coverage many already enjoy while creating new access to affordable coverage for the millions who are currently left out.

ANA believes we are all paying higher costs to support an inefficient and unsustainable health care system:

- The cost of action pales in comparison to the cost of doing nothing:
 - ✓ Currently, more than 16 percent of the U.S. gross domestic product goes toward health care annually. That amounts to \$2.4 trillion every year. Those figures are estimated to increase to a staggering \$4.1 trillion by 2016, or about 20% of GDP. By contrast, most major industrialized nations spend 8% to 10% of their gross domestic product on health care.
 - ✓ Employer-sponsored health insurance premiums have nearly doubled since 2000, a rate three times faster than wages. (Kaiser Family Foundation)
 - ✓ Bankruptcies attributable to medical bills increased by nearly 50% over a six-year period, from 46% of filings in 2001 to 62% in 2007. In many cases, having health insurance was insufficient – 78% of the bankruptcy filers had a policy but inadequate coverage did not protect them from exorbitant bills. On average, bankrupt families that could not pay medical debts had \$17,943 in out-of-pocket health care expenses, including \$26,971 for those who lacked insurance. (The American Journal of Medicine)
 - ✓ Inaction has human costs as well; a 2004 Institute of Medicine study concluded that 18,000 unnecessary deaths a year are attributed to a lack of health insurance.
- ANA believes everyone should have access to a standard package of essential health services. The cost of this basic health insurance package should be borne by a partnership between the government and private sector. In addition, beneficiaries should continue to be required to pay for a portion of their care as a means of providing a financial incentive for the economical use of health services. Deductibles and co-payments must not be barriers to care.

- Private plans, including employment-based health benefit programs and commercial health insurance, should also offer a standardized, basic package of health services.
- A key provision in health reform should be investment in health infrastructure as a means of reducing costs. This includes investments in electronic medical records, comparative effectiveness research to allow comparison of different treatments for the same condition, and community- and employer-based prevention initiatives for problems such as obesity and cigarette smoking.
- Payment systems need to be reoriented away from paying for use of services and toward paying for value – the outcomes of treatment for patients. This includes rewarding high-quality care, providing incentives for primary care and care coordination, and bundling payments for episodes of continuing care.
- Registered nurses will play a key role in controlling health care costs under reform proposals through an increased emphasis on prevention, primary care, wellness and care coordination services.

About ANA's Support for Universal Health Care

ANA's House of Delegates, our representative policy-setting body democratically elected by our Constituent (state) Member Associations, voted to adopt a stance in support of guaranteed, affordable, high-quality health care for all.

ANA believes that health care is a basic human right, and supports the World Health Organization's challenge – for all nations to provide a basic level of health care to their citizens.

ANA believes that a system focused on primary care, prevention and chronic disease management can alleviate much of the expensive acute care that currently takes its toll in human suffering, as well as dollars. It is a worthwhile national investment.

We also believe that nursing's strengths as a profession -- providing holistic care that considers the individual, family and community -- matches the emphasis in current health reform proposals.

ANA's health reform advocacy is guided by these principles, created by our membership. If proposed legislation did not match ANA's goals for both nurses and patients, we would not be in support, regardless of the sponsoring political party.