

HEALTH CARE, A PERSONAL OPTION

Centralized approaches to health reform, like Medicaid expansion, “Medicare for all,” or a “public option,” cannot give Americans what they need and deserve: affordability, consumer choice, and peace of mind. Instead, policymakers should advance a “personal option” that expands choice, reduces costs, and guarantees universal access.

BACKGROUND

Everyone should have access to the high-quality health care they need, when they need it, at a price they can afford.

In some ways, health care in America achieves those goals and does it well. The United States boasts some of the shortest surgery wait times and some of the best cancer survival rates in the world. And we remain the world’s leader in developing new life-saving therapies and cutting-edge technologies.

But American health care could be greatly improved. Despite its strengths, it can be complex, bureaucratic, and unaffordable for many. Too many families struggle to afford needed care and coverage. And tragically, many – even some seniors on Medicare – go bankrupt from high medical bills.

Despite these challenges, most Americans are relatively happy with their current arrangements. They are not calling for a government takeover of health care or the elimination of private insurance options. Instead, they support targeted changes to fix what’s broken and preserve what works.

To bring about the improvements Americans want and deserve, policy makers should prioritize the following:

1. Expand access to treatment and care that people can afford by increasing the supply of health care, promoting technology, removing FDA barriers to tests and prescription drugs, and giving people more control over how they use their health care dollars.
2. Give people more control over how they use their health care dollars by encouraging more Health Savings Accounts and similar tax-free arrangements.
3. Reduce costs—particularly for prescription drugs—by removing barriers to robust market competition.
4. End unpleasant billing surprises and create real price transparency by enforcing anti-fraud rules and regulating insurance more sensibly.
5. Protect the vulnerable by restoring Medicaid to its original mission and modernizing Medicare.
6. Help people, not insurance companies, by directing government assistance, when appropriate, to individuals rather than to insurers or government bureaucracies.

CONGRESS SHOULD

- **Advance a health care “personal option”** to increase access to care, expand patient choices, and reduce costs. This would entail:
 - **Helping the uninsured through tax-free Health Savings Accounts.** Expand the availability, usability, and contribution limits of

tax-free Health Savings Accounts, which help reduce health costs¹ and give patients a 15 to 40 percent discount on every out-of-pocket health care purchase, depending on their tax bracket. Congress should repeal or relax the requirement that HSA owners carry a “high-deductible health plan,” a needless rule that effectively denies nine in ten Americans access to an HSA.

- **Strengthening and improving access to:**
 - Health reimbursement arrangements, which let employees buy good private, portable health insurance using tax-free money from their employer.
 - Association health plans, which let individuals and businesses band together to buy affordable coverage at group rates.
 - Short term renewable health plans, which, in some states, can cost up to 80 percent less than a traditional health insurance plan, making it a vitally helpful option for people between jobs.²
- **Reducing prescription drug prices** through sensible reforms that remove barriers to robust market competition, rather than government price controls.
- **Speeding up FDA drug approvals** by requiring FDA to recognize drugs and devices that have been approved as safe and effective in advanced countries we trust, such as the EU and Japan.
- **Allowing “truth in medicine.”** Lift FDA’s gag rule on the sharing of valid scientific information with doctors about potentially life-saving off-label uses of FDA-approved therapies.
- **Promoting telehealth**, which saves lives and money by reducing infections and hospitalizations.³
- **Injecting competition into federal entitlements** by encouraging seniors to enroll in Medicare Advantage plans and by delivering Medicaid benefits through federally subsidized exchanges.

STATES SHOULD

- **Repeal certificate-of-need laws**, which needlessly restrict the expansion of hospital capacity and cutting-edge technology. Repealing CON laws saves lives.⁴
- **Let nurses deliver the care they’re trained for without physician supervision.**
- **Let doctors and nurses practice across state lines.**

CONGRESS SHOULD NOT

- **Empower bureaucracies over people.** Wherever possible, government subsidies should be delivered directly to individuals and families, not funneled through third parties like insurers or bureaucrats. We can trust patients and doctors to make good health care choices.

1. “Emerging data on consumer-driven health plans,” American Academy of Actuaries, May 2009. https://www.actuary.org/sites/default/files/pdf/health/cdhp_may09.pdf.
2. “Renewable term health insurance: better coverage than Obamacare,” Chris Pope, Manhattan Institute, May 16, 2019. <https://www.manhattan-institute.org/cheaper-health-insurance-alternatives-to-obamacare-for-low-medium-risk-patients>.
3. “Studies show that telemedicine saves critically ill patients,” mendfamily.com, June 11, 2018. <https://www.mendfamily.com/studies-show-telemedicine-saves-critically-ill-patients/>.
4. “Report: states that repealed certificate-of-need laws saved lives,” Bethany Blankley, thecentersquare.com, Sept. 14, 2020. https://www.thecentersquare.com/national/report-states-that-suspended-certificate-of-need-laws-saved-lives/article_4f2a6a38-f692-11ea-804e-030096815bb9.html.