



For Immediate Release
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Fact Sheet: President Outlines Agenda for Improving Health Security in the Best Health Care System in the World

TODAY'S PRESIDENTIAL ACTION

- In a speech at the Medical College of Wisconsin, President Bush outlined a comprehensive health care agenda that improves health security for all Americans by building on the best features of American health care. Our health care system can provide the best care in the world, but rising costs and loss of control to government and health plan bureaucrats threaten to keep patients from getting state-of-the-art care.
- To create a health care system that puts the needs of patients first, the President proposed steps to: (1) help all Americans get affordable health care coverage; (2) help patients get high-quality care every time; and (3) develop new treatments to keep patients healthy and prevent complications from diseases and strengthen the health care safety net. The President will back up this agenda with more than \$300 billion in proposed funding.

BACKGROUND ON THE BUSH ADMINISTRATION'S HEALTH CARE AGENDA

- President Bush outlined a comprehensive vision for helping all Americans benefit from the potential of American health care in the 21st century. The President's health care agenda is designed to improve the accessibility, affordability and accountability of health care for every American -- and to make sure that American health care keeps getting better.
- **Ensuring Every American Can Choose Affordable Health Care That Meets Their Needs:** The President believes that we should trust patients, working with health care professionals, to decide which treatment is best for them. Everyone should be able to choose a health care plan that meets their needs at a price they can afford. When people have good choices, health plans have to compete for their business -- which means higher quality and better care. Many Americans enjoy access to good choices in employer-sponsored health care plans, but many others do not have good coverage options or are in danger of losing them. The President proposes to address this problem through over \$117 billion in initiatives to make good health care coverage more available and affordable:
- **Expanded Health Accounts:** The President's plan lifts the excessive restrictions on Medical Savings Accounts (MSAs), by lowering the deductible requirements to levels that are increasingly common in private health insurance plans and to allow preventive care coverage. These changes will allow many more Americans to set up tax-free accounts to protect themselves from high out-of-pocket costs. The President also proposed expanding Flexible Savings Accounts (FSAs), to

allow employees to roll over as much as \$500 in unspent health care contributions to an FSA to use the following year or to contribute to their 401(k) plan. The budgetary cost of these proposals to help families manage their medical costs is \$14 billion over 10 years.

- **Association Health Plans:** The President supports legislation that would make it easier for small employers to pool together to offer their employees better health coverage options, like many large corporations are able to offer.
- **Health Credits:** The President's budget proposes \$89 billion in new health credits to make private health insurance more affordable for low- and middle-income American families who do not have employer-subsidized insurance. The credits would be worth up to \$1000 for individuals and \$3000 for families, would be available when people need them to pay their insurance premiums, and do not depend on taxes owed. The Administration will work with states to give many Americans the option of using the health credits through state-sponsored purchasing pools, to help ensure that they too have access to a broad range of affordable coverage options. The credits will enable 6 million Americans who would otherwise be uninsured during a year to get coverage, and will help many more who are struggling to pay for their own health insurance with little or no government help. The President also supports legislation to provide \$15 billion in health credits to provide quick help for workers who have lost their jobs during the recession. The credits would pay 60 percent of the cost of keeping their health care coverage and would assist over 4 million displaced workers.
- **Better Medicaid and State Children's Health Insurance Program (S-CHIP) :** The Bush Administration will continue to work with states and Congress to provide innovative coverage in these important government programs, including health care coverage options. In just the past year, the Administration has already worked with states to expand innovative Medicaid and S-CHIP coverage for almost 2 million more Americans.
- **Medicaid:** The President's budget provides \$350 million to continue funding Medicaid for families in transition from welfare to work. This coverage helps to ensure that work pays for families by preventing them from losing their health coverage when they start jobs.
- **S-CHIP:** The President's budget strengthens S-CHIP by making available to states an estimated \$3.2 billion in unused S-CHIP funds that otherwise will be lost. The S-CHIP law originally required states that did not use their full S-CHIP allotment during the previous three years to return unused funds to the Federal Treasury. These additional matching funds will enable all states to expand coverage to the uninsured.
- **Strengthening Health Care for Seniors and the Disabled**
 - **Strengthened Medicare:** In his budget and State of the Union address, the President renewed his commitment to provide prescription drug coverage in Medicare, based on the framework for bipartisan legislation that he proposed in July 2001. The President's budget includes \$190 billion in net additional spending for improving Medicare. The President's framework would give seniors better health care options, including:
 - **Making Medicare prescription drug coverage available to all seniors, including lower prices on all prescriptions and protection against high out-of-pocket drug costs.**

- Providing a government plan with a prescription drug benefit, better preventive coverage, and better protection against high medical costs, with more affordable Medigap (supplemental insurance) options.
- Giving more reliable private health care options for seniors who prefer the lower out-of-pocket costs and innovative benefits like "disease management" services available in such programs. Seniors who choose more efficient plans would be able to use the savings to reduce their Medicare premiums.
- Allowing seniors to keep the coverage that they have now, with no changes, if they prefer it.
- Because the Medicare drug benefit and other improvements will take several years to set up, President Bush has also proposed steps to improve Medicare benefits immediately, including:
 - Implementing a Medicare-endorsed prescription drug card program to give seniors quick access to competitive discounts from drug manufacturers and to provide other valuable pharmacy services, and to provide the experience needed to implement the Medicare drug benefit effectively.
 - Helping states implement comprehensive drug coverage for low-income beneficiaries as quickly as possible. The Federal government will pay 90 percent of the costs of comprehensive drug coverage for beneficiaries with incomes between 100 and 150 percent of poverty -- providing comprehensive drug coverage for up to 3 million additional low-income Medicare beneficiaries who lack drug coverage now at a cost of \$8 billion over the next 3 years. This coverage would be fully integrated with the new Medicare drug benefit when it is set up.
 - Taking immediate action to make better private health plan options available in Medicare, by correcting chronic underpayments to Medicare's private plans. This proposal costs approximately \$4 billion over 3 years.
 - Giving seniors access to two additional Medigap (supplemental insurance) plans, with updated benefits that provide better protection against high medical expenses and assistance with prescription drugs at a more affordable cost than the most popular plans.
 - Long-Term Care: The President believes that Americans who need long-term care assistance should have more control over how they receive the care they need. The President's budget proposes to make premium payments for long-term care insurance fully deductible, to provide a much-needed, more flexible alternative to 'spending down' to Medicaid. The 10-year cost of this proposal is \$20 billion.
- Assistance for Caregivers: The Bush Administration proposes an additional tax exemption for persons who take time to care for parents or children who need long-term assistance. The personal exemption is \$3,000 in 2002, and the 10-year cost of this proposal is \$3.6 billion.
- Improving the Quality of Health Care

- **Patients' Bill Of Rights:** The President strongly supports the passage of a Patients' Bill of Rights that leaves medical decisions in the hands of physicians, instead of insurance companies -- and urges Congress to reconcile differences and complete its work this year.
- **Prohibit Genetic Discrimination:** President Bush will work with Congress to develop fair and reasonable legislation that will make genetic discrimination illegal and provide protections consistent with other existing anti-discrimination laws.
- **Better Information for Patients:** The Administration continues to take steps to make better information on medical treatments and the quality of health care providers available to the public, including new information on nursing home quality.
- **Effective Privacy Protections for Medical Records:** Electronic medical records hold the promise of improving quality of care for patients and for giving them more control over their health information, but only with strong medical privacy protections give patients the security and confidence they need. The Administration is implementing new medical privacy protections to do just that.
- **Effective Support to Increase Biomedical Research and Strengthen the Health Care Safety Net:**
- **Support for Biomedical Research:** The President's budget includes a total of \$27.3 billion for the National Institutes of Health (NIH), including the final installment of \$3.9 billion that will complete the goal the doubling of the NIH budget. This increase will allow NIH will expand its efforts to support research to improve the prevention, detection and treatment of diseases.
- **Improved Public Health Systems to Better Protect the Public:** The President's budget includes \$5.9 billion for bioterrorism preparedness, an increase of \$4.5 billion -- more than three times the 2002 base funding level. The budget supports a variety of activities to prevent, identify and respond to incidents of bioterrorism -- including strengthening state and local health infrastructures, enhancing medical communications and disease surveillance capabilities and improving specialized Federal response capabilities. The budget also provides \$1.7 billion for NIH research into new vaccines and diagnostics and increased security at its facilities.
- **Community Health Centers:** The President's budget includes \$1.5 billion for CHCs, a \$114 million increase that would continue the Bush Administration's long-term strategy to add 1,200 new and expanded health center sites over five years and serve an additional 6.1 million patients. The increase for fiscal year 2003 will support 170 new and expanded health centers, and provide services to a million more patients.
- **National Health Service Corps:** Since 1970, over 20,000 doctors, nurses, dentists, midwives, and mental health clinicians have been placed in medically underserved communities through the National Health Service Corps (NHSC). The President's budget includes \$191.5 million -- a \$44 million increase -- to strengthen the NHSC. With the increased funding, the NHSC will provide scholarships or loan assistance to about 1,800 professionals practicing in underserved areas - an increase of about 500 participants.