



Progressive Prescriptions for a Healthy America

America's health system is in crisis, leaving out too many and costing too much. Today, 45 million Americans lack health insurance. Millions more are struggling to pay premiums that are growing five times faster than wages, but still seeing their benefits shrink. While some Americans have access to the most sophisticated medical care in the world, others are left to overcrowded emergency rooms, under-funded clinics, or no health care at all – all because they lack the insurance it takes to provide for the care they need. This is wrong. It violates America's deep, long-standing commitment to fairness for all of our citizens - old and young, weak and strong. Unlocking our health care system's potential for everyone in America is the great moral challenge of our time.

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To meet our nation's health care needs, the Center for American Progress proposes a bold but practical approach to guaranteeing an American right to affordable, quality health coverage. The Center's plan is a comprehensive proposal to improve our health, not just our health care system.

Rather than dismantling our health system and starting from scratch, the Center's plan builds on the strengths of our current system while responding to its serious shortcomings. By embracing this approach, the plan ensures affordable, quality health coverage for *everyone*, including those who have coverage today. Just as significantly, it is a responsible plan that raises the revenue needed to pay for its investment. The plan calls for tough choices and shared sacrifice. But Americans have never shied away from doing what is necessary to ensure greater opportunity and security for all.

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The Center for American Progress' *Plan for a Healthy America* focuses on three priorities: making coverage affordable for all, improving the value of coverage for all, and financing the investment necessary to achieve a seamless, high-quality health system.

Affordable Coverage for All

Everyone would be guaranteed access to affordable health insurance and be expected to make responsible choices in return.

At least one of the following insurance options would be available to everyone: employer-sponsored insurance; Medicaid; or private health coverage offered through a new group insurance pool, like the system used by federal employees and members of Congress.

Health care costs for individuals would be kept in check by refundable tax credits structured to guarantee that health insurance premiums never exceed more than a small, fixed percent (e.g. 5 to 7.5 percent) of income.

Medicaid would be expanded and simplified to protect the working poor and indigent adults who often "fall through the cracks" of today's system.

In return for guaranteed access to affordable coverage, everyone would be expected to enroll in one of their options or pay an income-related charge to support the care they will inevitably use. Medicaid would be the default payer for those who do not choose their own option.

Valuable Coverage for All

It is not enough to cover the uninsured. The Center's plan also improves the value of health coverage for everyone, including those who have it today, by raising health care quality and lowering health care costs.

The plan prioritizes wellness over illness by emphasizing preventive care. Coverage for preventive services would be taken out of the insurance system and coordinated through a new, nationwide but community-based benefit focused on disease prevention and health promotion.

The plan helps everyone take more personal responsibility for their health by offering individuals and their providers the information required to make sound treatment decisions. New research would develop better information about what treatment options get the best results.

The plan brings our health care system out of the information dark ages by promoting cutting-edge information technology to deliver better quality health care more efficiently.

Financing Necessary Investment

Today, employers and individuals are paying the price for the shortcomings of our health care system. The average health insurance premium for a family is equivalent to the entire salary of a full time minimum wage worker. This plan will ease that burden by sharing the costs of coverage across our nation as a whole. But doing so requires a national commitment to securing the necessary resources.

Because the plan helps all, we propose that it be financed by all through a new, broad-based funding source: a small value-added tax exclusively dedicated to health system improvement.

This approach has advantages over increasing existing taxes because it encourages savings, is difficult to evade, and can generate significant revenue at a relatively low rate.

Targeted exemptions would reduce the impact on low-income individuals and lower administrative costs.

America's health care crisis is neither inevitable nor unsolvable. Just as our nation has overcome tough challenges in the past, we can do so again. Our history is marked by moments where leaders broke through what were then viewed as insurmountable obstacles to achieve what are now considered basic, even sacred, protections.

Ensuring affordable, quality health care is this generation's great challenge. With conviction and persistence, armed with a practical, fair and responsible plan, this worthy goal can be achieved.