



Iowa Republicans: Real Solutions for Iowa's Families

Republicans take the lead on offering bold solutions to Iowa's problems

ISSUE GROUP #3

Iowa Health Care Initiatives: Making health care accessible, affordable, and portable

Iowa Republicans are united in support of true health care reform! As the debate continues to rage in Washington, DC, Iowa Republicans are offering a set of bold, state-based initiatives to make health care more accessible, affordable, and portable.

Health care reform solutions need not come from Washington, DC. In fact, the best reforms are often those developed closest to the people. Iowans do not need to wait for national politicians to act. Instead, they can join with Iowa Republicans in pursuit of a set of common sense **Iowa Health Care Initiatives** and solve Iowa problems with Iowa solutions.

Here is what Republicans will do if Iowa voters give us the opportunity:

ACCESSIBILITY

Patients Right to Know Act

As with any product or service, the more information consumers can access to compare the costs and quality of that product or service, the lower the cost and the higher the quality of the products and services they ultimately consume.

Consumers have been slow to embrace market practices to the delivery of health services and, as a result, costs may remain high and quality is often unknown.

Iowa Republicans believe the information age provides a tremendous opportunity to dramatically improve access to tools that compare cost and quality in the delivery of health care services on-line. Iowa Republicans propose legislation to establish a statewide information hub that brings together both cost and outcome quality data in a searchable format for online consumers.

Cost and quality transparency will empower consumers to make better health care decisions in a way that maximizes quality while minimizing cost.

Low-Cost Catastrophic Health Plans for those Under 30

Iowans age 18-30 are known as the “Invincibles” as they often believe, given their relative youth and good health, health insurance is a product they do not need. As a result, when they do have to seek medical treatment it is often for a serious condition and very expensive.

In fact, there are 106,000 Iowans in this age group who do not have health insurance and account for roughly **half** of all the uninsured in the entire state.¹

Iowa Republicans propose legislation that will encourage the development of low cost catastrophic insurance products that will provide base care for younger Iowans and limit the amount of uncompensated care that results when uninsured young Iowans need medical treatment.

AFFORDABILITY

Medical Malpractice Reform

No serious attempt at reducing rising health care and insurance costs can move forward without an honest attempt to address the issue of medical malpractice and tort reform. Iowa Republicans have continually championed the need to pass legislation that raises the burden of proof on medical malpractice claims and places reasonable limits on payment for damages.

Expand Health Insurance Tax Deductibility to Individuals and Small Business

Current law allows large employers the opportunity to deduct health care costs “above the line” – meaning a straight dollar for dollar reduction in their taxable income equal to the employer share of health insurance costs and provides a tremendous incentive to provide health insurance to their employees.

Thus, it should be no surprise an independent study shows 94% of employers who have 50 or more employees provide health insurance, whereas 36% of employers who have 10 or fewer employees offer health benefits.²

With a significant portion of our population now working for small businesses or for themselves, Iowa Republicans believe such above the line deductions for health insurance costs should be extended to all businesses and individuals, be they subchapter S corporations, limited liability companies, partnerships or sole proprietors.

Some estimates suggest an above the line deduction for health insurance costs may provide a 30% savings on such costs and provide a significant incentive to offer health insurance benefits to their employees. It’s simple: if it’s good enough for Wall Street, it should be good enough for Main Street.

Prevention Credits: Putting a Premium on Wellness

Prevention programs that encourage long-term commitment to wellness practices are proven to reduce demand for expensive health services and contain future growth in health care spending. However, our current system chooses to focus on imposing penalties on those who practice less healthy lifestyles (smoking, poor food choices, lack of regular exercise) through higher insurance rates rather than rewarding good health practices with lower rates.

These “prevention credits” will allow an average Iowa family to save upwards of 15% on their health insurance premium or \$1,635 on an average family policy. According to the United States Department of Health and Human Services there is a return on investment of up to \$4.91 for every dollar spent on wellness. This shift in policy will save Iowa families real money while reducing the long term cost of health care in the state.³

Iowa Republicans propose legislation to require insurers to offer “prevention credits” to individuals and businesses that can be used to reduce health insurance rates for those individuals and businesses that demonstrate, through measurable periodic screening practices, a commitment to wellness and prevention.

This “carrot instead of the stick” approach to prevention and wellness should encourage more Iowans and their employers to actively pursue the promised savings through participation in health and wellness practices that reduce health costs in the long term.

PORTABILITY

No Pre-Existing Exclusions when Changing Plans with the same Insurance Provider

Nothing strikes fear in the hearts of those seeking continuation of health care coverage than the words “pre-existing conditions”. Iowa Republicans propose legislation that prohibits the denial of coverage or the imposition of coverage riders due to pre-existing conditions when an insured Iowan moves from one plan to another plan offered by the same insurance company.

The simple act of moving from Plan A to Plan B (for whatever reason) within the same insurance company should not provide an opportunity to base coverage exclusions as if the employee were accessing coverage with that company for the first time. If the company assumed the risk 20 years ago, it should continue to assume the risk without further exclusions.

Accessibility. Affordability. Portability. These three cornerstones of Republican health care reform provide a state-based approach to providing quality health care to Iowans, solving our most immediate needs without succumbing to a public option that will result in a complete government takeover of our health care system.

Republicans are ready to go to work, today, and provide the necessary leadership to make these attainable goals possible.

¹ Iowa Department of Human Services, 2008

² David P. Lind & Associates, Iowa Employer Benefits Study, 2007, and Kinzel, A., What a drag it is: The Economic Impacts of Rising Health Insurance Premiums, July 2004.

³ US Department of Health and Human Services, *Prevention Makes Common Sense*, 2003

Iowa Republicans: Real Solutions for Iowa's Families is a joint project of the Republican Party of Iowa and the Republican Iowa House and Senate Caucuses. Through this project Iowa Republicans will promote a series of bold solutions to the problems facing our state in areas ranging from the budget to education, the environment and energy, family, health care and transparency.

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