

**The Obama Administration's Health Reform Principles:**  
**An Analysis Using the King County Board of Health's Health Reform**  
**Principles**

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President Obama presented eight principles for health care reform in the budget he provided to Congress at the end of February 2009 (the Obama Principles). They are:

1. **Protect families' financial health.** The plan must reduce the growing premiums and other costs American citizens and businesses pay for health care. People must be protected from bankruptcy due to catastrophic illness.
2. **Make health coverage affordable.** The plan must reduce high administrative costs, unnecessary tests and services, waste and other inefficiencies that consume money with no added health benefits.
3. **Aim for universality.** The plan must put the United States on a clear path to cover all Americans.
4. **Provide portability of coverage.** People should not be locked into their job just to secure health coverage, and no American should be denied coverage because of pre-existing conditions.
5. **Guarantee choice.** The plan should provide Americans a choice of health plans and physicians. They should have the option of keeping their employer-based health plan.
6. **Invest in prevention and wellness.** The plan must invest in public health measures proven to reduce cost drivers in our system — such as obesity, sedentary lifestyles and smoking — as well as guarantee access to proven preventive treatments.
7. **Improve patient safety and quality care.** The plan must ensure the implementation of proven patient safety measures and provide incentives for changes in the delivery system to reduce unnecessary variability in patient care. It must support the widespread use of health information technology and the development of data on the effectiveness of medical interventions to improve the quality of care delivered.
8. **Maintain long-term fiscal sustainability.** The plan must pay for itself by reducing the level of cost growth, improving productivity and dedicating additional sources of revenue.

The Obama Principles are a positive step forward. However, they represent a retreat from the more detailed and explicit requirements that were incorporated into his presidential campaign health plan. In the campaign, Obama specifically addressed issues of equity, health disparities,

and coordination with public health systems as cornerstones of health care reform. As currently drafted, the Obama Principles do not directly address these factors.<sup>1</sup>

The King County Board of Health (the “Board”) adopted six principles for health care reform in September 2008. They cover the same principles outlined by the Obama Administration, but also include factors such as health equity, facility location, comprehensiveness of care and access, and other issues that must be incorporated into any health system if all individuals are to be as healthy as possible.

Below is a list of the Board’s six health reform principles, accompanied by an analysis of the ways in which the Obama Principles satisfy or fail to meet them.

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<sup>1</sup> See, *The McCain and Obama Health Plans: An Analysis Using the King County Board of Health’s Health Reform Principles*, for an analysis of the of Obama’s health reform plan put forth during the presidential campaign.

Principle #1: *All people have access to affordable, comprehensive health care services on an equitable basis. All individuals are able to access the right care in the right place at the right time.*

Universal. Access to health care cannot be limited or denied based upon ability to pay, pre-existing conditions, gender, age, race, ethnicity, sexual orientation, immigration status, neighborhood, availability of transportation or other factors.

*Partially meets the County's Principle*

Obama Principle: *Aim for universality. The plan must put the United States on a clear path to cover all Americans.*

- Does not provide for universal health coverage at once. Health insurance for all is the goal, but how to reach “universality” remains elusive. As drafted, the principle does not include legal or illegal immigrants, which means they will still be obliged to use higher-cost care at emergency rooms/community clinics.

Obama Principle: *Provide portability of coverage. People should not be locked into their job just to secure health coverage, and no American should be denied coverage because of pre-existing conditions.*

- Prohibits limitation of access to care based upon pre-existing health conditions, but does not prohibit limitations on access based upon other factors such as gender or age.

Affordable. The costs of care are based upon the individual's ability to pay.

*Partially meets the County's Principle*

Obama Principle: ***Protect families' financial health.*** *The plan must reduce the growing premiums and other costs American citizens and businesses pay for health care. People must be protected from bankruptcy due to catastrophic illness.*

- Does not provide for payments (whether premiums; co-pays) on a sliding scale which promotes equity and makes care truly affordable.
  - It does allow for unspecified policy prescriptions that make health care costs more predictable and affordable.

Equitable. Services are conveniently located and equitably distributed; facilities have adequate resources to provide preventive, diagnostic and treatment services.

Obama Principles do not address this issue.

**Comprehensive.** A uniform set of services is guaranteed and equally available to all people on the basis of clinical need and must include, among other things, medical, preventive care, mental health, substance abuse, dental, vision, reproductive health, and end of life care.

*Does not meet the County Principle*

*Obama Principle: Guarantee choice. The plan should provide Americans a choice of health plans and physicians. They should have the option of keeping their employer-based health plan.*

- This “choice” does not seem to include a plan with a uniform set of comprehensive services affordable and available for those of limited resources who did not qualify for government assistance.

Principle #2: *All health care is clinically appropriate and provided in a timely, safe, and patient-centered manner.*

Clinically appropriate. Quality health services meet the most current scientific and clinical standards (best practices).

*Meets the County principle*

*Obama Principle: Improve patient safety and quality care. The plan must ensure the implementation of proven patient safety measures and provide incentives for changes in the delivery system to reduce unnecessary variability in patient care. It must support the widespread use of health information technology and the development of data on the effectiveness of medical interventions to improve the quality of care delivered.*

- Provides for quality care, and, presumably, that means current scientific and clinical standards (best practices)

Patient-Centered. Benefits design and financial incentives are linked to clinically appropriate care and improvement of patient health outcomes.

*Meets the County principle*

*Obama Principle: Improve patient safety and quality care. The plan must ensure the implementation of proven patient safety measures and provide incentives for changes in the delivery system to reduce unnecessary variability in patient care. It must support the widespread use of health information technology and the development of data on the effectiveness of medical interventions to improve the quality of care delivered.*

- Presumably, improving patient safety and improving quality care would involve a shift to a quality-based payment system that rewards good care.

Patient-Centered. Patients have access to a health care “home” which provides primary care and coordinates specialized health care services.

*Meets the County principle*

*Obama Principle: Improve patient safety and quality care. The plan must ensure the implementation of proven patient safety measures and provide incentives for changes in the delivery system to reduce unnecessary variability in patient care. It must support the widespread use of health information technology and the development of data on the effectiveness of medical interventions to improve the quality of care delivered.*

- Presumably, improving patient safety and improving quality care would involve expanding the “medical home” concept, and encouraging practitioners to develop a comprehensive care management service to ensure that patients are, for example, filling their prescriptions, going to rehab and shopping for the right food.

Patient-Centered. Health practitioners and patients have access to up-to-date, evidence-based information to make decisions about health care treatments and options without undue third party interference.

*Meets the County principle*

*Obama Principle: Improve patient safety and quality care. The plan must ensure the implementation of proven patient safety measures and provide incentives for changes in the delivery system to reduce unnecessary variability in patient care. It must support the widespread use of health information technology and the development of data on the effectiveness of medical interventions to improve the quality of care delivered.*

- “The widespread use of health information technology and the development of data on the effectiveness of medical interventions,” satisfies the requirements that health practitioners and patients have access to up-to-date, evidence-based information to support health care treatment decisions.

Principle #3: *Health services financing is designed and allocated so as to provide permanent, stable, and sufficient funding for high-quality, universal health care.*

Cost-effective health delivery systems. Practitioners and health care systems incorporate efficient health care delivery practices to increase value and reduce waste (e.g., electronic health records, care coordination, etc.).

*Partially meets the County principle*

Obama Principle: *Improve patient safety and quality care. The plan must ensure the implementation of proven patient safety measures and provide incentives for changes in the delivery system to reduce unnecessary variability in patient care. It must support the widespread use of health information technology and the development of data on the effectiveness of medical interventions to improve the quality of care delivered.*

Obama Principle: *Make health coverage affordable. The plan must reduce high administrative costs, unnecessary tests and services, waste and other inefficiencies that consume money with no added health benefits.*

Obama Principle: *Maintain long-term fiscal sustainability. The plan must pay for itself by reducing the level of cost growth, improving productivity and dedicating additional sources of revenue.*

- Delivery system changes that are designed to reduce unnecessary variability in patient care and to incorporate health information technology can reduce waste.
  - No provision for care coordination.
- Improved productivity results from, among other things, the incorporation of efficient health care delivery practices.

Efficiency. Administrative systems, including payment mechanisms, are non-duplicative and easy to use.

Obama Principles do not address this issue.

Efficiency. Financial incentives are designed to produce an efficient care delivery system with rational cost controls.

*Meets the County principle*

Obama Principle: *Maintain long-term fiscal sustainability. The plan must pay for itself by reducing the level of cost growth, improving productivity and dedicating additional sources of revenue.*

- Reduction in the level of cost growth presumably is based on rational cost controls. Presumably, increased productivity would be part of an efficient care delivery system.
  - Does not specify whether there would be financial incentives for the insurance industry/providers, or both, as part of a fiscal sustainability plan.

Risk sharing. Health services financing is designed so that, in an insurance system, risks are shared as broadly as possible across populations.

Obama Principles do not address this issue.

- A significant omission as large risk pools increase efficiencies and cost reductions.

*Principle #4: Health services delivery systems are responsive to the needs of the community they serve. Community members collaborate with health care systems to ensure the delivery of appropriate high quality health care services.*

Collaboration. Community members, including patients, participate in the development of health services design, delivery and evaluation.

Obama Principles do not address this issue.

Collaboration. The health care system is integrated with community services that promote health, including services that assist people with special needs.

Obama Principles do not address this issue.

- Obama's campaign health plan specifically provided for this type of integration with the public health system.

Collaboration. Health information is widely and effectively disseminated (e.g., community newspapers, schools, libraries, on-line, etc.).

*Partially meets this principle*

*Obama Principle: [Health system] must support the widespread use of health information technology and the development of data on the effectiveness of medical interventions to improve the quality of care delivered.*

- The development of data is important. But, the existence of data without broad dissemination is insufficient. Presumably, the widespread use of IT would be part of an information dissemination effort, which would include non-technical communication modalities.

Accountability. Financing systems, practitioners, health systems, and public agencies operate transparently.

Obama Principles do not address this issue.

Accountability. The health care system collects and publicly reports performance data on access to and quality of care at both the system and provider level.

*Partially meets this principle*

*Obama Principle: Improve patient safety and quality care. The plan must ensure the implementation of proven patient safety measures and provide incentives for changes in*

*the delivery system to reduce unnecessary variability in patient care. It must support the widespread use of health information technology and the development of data on the effectiveness of medical interventions to improve the quality of care delivered.*

- Provides dissemination of information regarding quality, but not of access. It is unclear whether information would include data from the provider as well as system levels.

Principle #5: *The best investments are those that prevent disease and promote good health in the most cost-effective manner.*

Health promotion. Local public health and health care services support one another and are part of state, regional and national strategies to increase healthy years lived.

Obama Principles do not address this issue.

Health promotion. Health care providers incorporate health promotion strategies in their individual practices.

*Partially meets this principle.*

Obama Principle: *Invest in prevention and wellness. The plan must invest in public health measures proven to reduce cost drivers in our system — such as obesity, sedentary lifestyles and smoking — as well as guarantee access to proven preventive treatments.*

Obama Principle: *Improve patient safety and quality care. The plan must ensure the implementation of proven patient safety measures and provide incentives for changes in the delivery system to reduce unnecessary variability in patient care. It must support the widespread use of health information technology and the development of data on the effectiveness of medical interventions to improve the quality of care delivered.*

- Presumably, “access to proven preventive treatments,” and “the implementation of proven patient safety measures,” would also mean that providers would be required to incorporate such health promotion strategies into their individual practices.

Health promotion. The health care system encourages and provides incentives to patients to actively participate in promoting and maintaining their own health.

*Meets this principle.*

Obama Principle: *Invest in prevention and wellness. The plan must invest in public health measures proven to reduce cost drivers in our system — such as obesity, sedentary lifestyles and smoking — as well as guarantee access to proven preventive treatments.*

- Presumably, “guarantee access to proven preventive treatments,” would include incentives for patients to participate in maintaining their individual health.

Disease prevention. Evidence-based, preventive services, including screenings and immunizations, are available to all individuals.

*Meets this principle.*

*Obama Principle: Invest in prevention and wellness. The plan must invest in public health measures proven to reduce cost drivers in our system — such as obesity, sedentary lifestyles and smoking — as well as guarantee access to proven preventive treatments.*

*Principle #6: Health services delivery and financing systems employ strategies, policies, and interventions aimed at achieving health equity.*

Achieving health equity. Health care services are sensitive and responsive to patient needs and cultural norms.

Obama Principles do not address this issue.

Achieving health equity. Health care systems collaborate with local public health, education, social services, and other community-based programs to support state, regional and national strategies to increase healthy years lived and achieve health equity.

Obama Principles do not address this issue.

- Investing in prevention and wellness may lead to this type of inter-governmental and inter-organizational cooperation, but it is not specifically addressed.

Achieving health equity. Public health system collects and reports data on the health status of the population, with a specific focus on health equity.

*Partially meets this principle.*

*Obama Principle: Improve patient safety and quality care. The plan must ensure the implementation of proven patient safety measures and provide incentives for changes in the delivery system to reduce unnecessary variability in patient care. It must support the widespread use of health information technology and the development of data on the effectiveness of medical interventions to improve the quality of care delivered.*

- Requires the collection and dissemination of health data, but does not provide for a focus on health equity.