

ManuFACTS

Health Care Reform

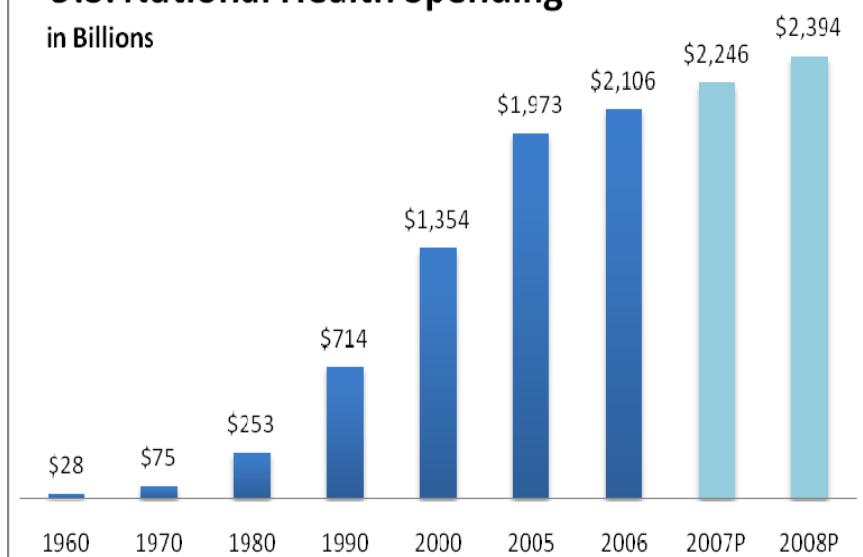
- Ninety-seven percent of NAM members offer health benefits to their employees. However, rising health care costs siphon resources away from investing in new technologies, facilities and creating new jobs.
- In a 2008 NAM survey of small and medium-sized manufacturers, 55 percent indicated their health care costs have increased by more than 10 percent over the past year. Despite this alarming statistic, we remain committed to our goal of providing high quality care to employees.
- Health reform must preserve and strengthen the voluntary, innovative and flexible employer-based system that provides care to over 160 million Americans. ERISA must remain in tact.
- In order to help individuals and small business purchase affordable care, we need a market that offers a variety of competing private health-plan options.
- In order to drive down costs in the long term and extend health care coverage, we need system reform that includes a focus on preventative care, proper implementation of health information technology and alignment of incentives so that successful outcomes are rewarded.

HOW CONGRESS CAN HELP:

- Preserve and build on the voluntary employer-based health care system without jeopardizing plan design, innovation, enhancement, and flexibility;
- Provide access for small businesses and uninsured individuals by reforming the small group and individual insurance market to provide choice of private, competing health plans;
- Provide tax incentives to help purchase health insurance coverage; and
- Provide incentives for employers to offer wellness and prevention programs.

U.S. National Health Spending

in Billions



Source: Centers for Medicare and Medicaid Services

More Information: Achieving affordable, quality health care coverage requires broad-based reforms that help employers continue their flexible, generous offering of health benefits while addressing costs and disparities in quality and coverage. The NAM supports the following principles:

Innovation and Flexibility

- **Preserve Employer Based Health Care** – Promoting and encouraging the existing, voluntary employer-sponsored health care system without jeopardizing plan design, enhancement and flexibility is the best way to ensure access to quality, affordable care.
- **Promote Tax Treatment of Health Benefits** – Preserve the full tax deductibility of employer contributions to employee health insurance and the employee exclusion to income and payroll taxes.
- **Support Medical Innovation** – Save lives and deliver better health outcomes by recognizing the value medical innovation and technology provides the health system.
- **Ensure Safe and Affordable Drugs** – A robust and competitive marketplace is needed to balance the cost and risk of pharmaceutical innovation with affordable access, while ensuring consumer safety.
- **Focus On the Patient** – Reward health delivery models that place an emphasis on the value of care over the volume of care through comprehensive health management approaches.

Competition, Choice, and Consumer Demand

- **Provide Access** – Modify the insurance market framework to allow individual and small group purchasers of insurance to gain the benefits of the distributed risk and purchasing power of large, group health providers by offering choice of private, negotiated health plans in multiple markets.
- **Increase Transparency** – Provide ready access to meaningful health information in a clear, consistent manner to compare health care plans and providers on the basis of both cost, quality of performance, and overall patient outcomes.
- **Encourage Demand Driven Care and Consumer Choice** – Improve access to consumer-oriented financial benefit designs such as health savings account/high-deductible health plans (HSA/HDHPs) and Flexible Spending Accounts (FSAs) to offer consumers management and responsibility of their health expenses.

Cost Management

- **Support Health Information Technology (Health IT)** – Transform health care into an electronically integrated network of patient care by providing incentives to both public and private plans to adopt and invest in health IT, developing uniform, interoperable standards, and removing barriers to implementation.
- **Make Wellness, Prevention, and Chronic Disease Management a Priority** – Reduce costs associated with chronic conditions by providing incentives to public and private plans to use a total health management approach, especially programs that highlight individual accountability for health decisions.
- **Reform Legal Liability** – Establish clear standards for liability and punitive damages in medical malpractice suits based on actual malice, intentional infliction of harm, or a knowing and reckless disregard of safety.
- **Share Costs Among Responsible Parties** – Appropriately distribute the cost of providing health care among the public and private sectors and among consumers, payers and health care providers without undermining the private health care market.

NAM Resources

NAM Contact: Jeri G. Kubicki, VP, Human Resources Policy, at jkubicki@nam.org or 202-637-3127. For more information on the NAM's Health Care Policy, please visit: www.nam.org/hrp.