

Frequently Asked Questions about Blue Cross and Blue Shield of Texas' Position on Health Care Reform

Overview

Blue Cross and Blue Shield of Texas (BCBSTX) strongly believes health care system change is needed. We must get health care costs under control, and we need to ensure that all Americans have access to quality, affordable health care. We agree with President Obama and others in Washington that we have a unique opportunity now to improve the system and do not want to see that opportunity lost. Also, we agree with the vast majority of Americans that change should not jeopardize those qualities that make our system the best in the world.

1. What can we do to improve our health care system?

- **Reduce Costs** -- Health care reform needs to be focused on getting at the underlying causes of rising health care costs. Among other causes, this includes appropriately funding the existing government programs such as Medicare and Medicaid so that providers aren't forced to shift costs to insured populations and changing the way doctors, hospitals and other providers are paid to encourage focus on prevention, wellness, quality and cost-effectiveness of care. As examples, BCBSTX has changed its reimbursement to over 25% of Texas physicians to a "pay for performance" arrangement and consciously increased reimbursement to all physicians for preventative vaccinations.
- **Improve Access** -- We need to increase access to health care by removing barriers to enrollment in existing government programs such as Medicaid and CHIP for those that qualify and, for others, building upon the current employer-based system which provides coverage to more than 165 million Americans.
- **Improve Quality** -- We need to improve consumer and provider access to the information they need to make informed decisions about the quality and cost-effectiveness of care by expanding health information technology, increasing the use of electronic health records and creating uniform standards for how health plans, providers and members connect to each other electronically. BCBSTX has provided access to information on providers and various treatments on our website and encouraged the exchange of information about providers through our investments in health information technology companies like MEDdecision and Availity.
- **Prevention** -- We also have to find ways to help Americans eat better, exercise more and smoke less. These preventive measures can improve America's health or, conversely, lifestyles that do not include these measures can cause chronic diseases. Costs related to treatment of chronic, preventable disease consumes 75 percent of what we spend on health care in this country.

2. What is BCBSTX currently doing about the uninsured?

BCBSTX is committed to reducing the number of uninsured in our state. We believe that every American should have access to affordable health care, and we believe that both government and the private sector have important roles to play in achieving that goal. We continually look for ways to reduce the number of uninsured through new products and targeted charitable investments in our communities. For example, one in four children living in Texas does not receive the required immunizations. To help provide free childhood vaccines to uninsured and underinsured children, BCBSTX is the primary sponsor of the Caring for Children Foundation, a tax exempt 501 (C) (3) founded in 1991, and its Care Van program. BCBSTX covers 100 percent of the foundation's administrative costs for this program, which uses a fleet of 10 mobile units to immunize disadvantaged children statewide, and immunized 58,249 children in 2008.

3. Does BCBSTX have concerns about a new government-sponsored health insurance program?

There are many areas of reform that BCBSTX supports but we are concerned about the creation of a new government-sponsored plan for several reasons.

- We believe the government should focus on fixing some of the cost and access problems in the existing government-sponsored insurance programs such as Medicare and Medicaid before starting any new programs.
- A government-run plan that can dictate fixed reimbursement to providers would create additional cost-shifting to the private sector, squeeze out private competition and lead our country into a system in which the government would control access to and set payments for all health care.
- BCBSTX believes we can accomplish what's needed to reform the system without establishing a government plan.

4. What's wrong with a single-payer, government-run health care system?

Without a healthy system of private-sector competition, doctors, hospitals and other health care providers would have no where to turn to offset their lower reimbursement rates paid by government health care. As a result:

- Hospitals already at risk would be driven out of business
- Our current system of private-sector competition would lose its incentive for cost containing innovation, and
- Lower pay would mean fewer doctors to treat our aging population—resulting in longer waiting times for medical care.

We've seen the effect of long waiting times in other countries, like Canada, that have a government-run health care system. For example:

- Compared to the single-payer system of Canada, patients in the U.S. are twice as likely to receive lifesaving dialysis, three times as likely to receive a needed coronary bypass, and four times as likely to receive a required coronary angioplasty, and
- Survivor rates are higher in the United States than Canada for breast cancer, leukemia, colon cancer and heart disease.

5. What is BCBSTX's position on health insurance reforms?

BCBSTX supports a plan that requires health insurance companies to offer coverage to all applicants. In other words, no one could be denied coverage for pre-existing medical conditions. However, this will be sustainable only if every American is required to carry health insurance. Additionally, minimum benefit levels must be sensible, and the required insurance mandate must be enforceable.

- Any type of insurance—health, homeowner or car—is only effective when risk is spread throughout the entire group.
- Without an effective mandate and guaranteed issue, individuals would be able to move in and out of health insurance coverage at will. That would be like a person whose home is on fire calling an insurance agent to get homeowners insurance. Without a mandate, insurance market reforms would drive up premiums for those already insured.

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