



UNITED STATES SENATE
**REPUBLICAN
POLICY COMMITTEE**

Larry E. Craig, Chairman
Jade West, Staff Director

February 13, 2002

Republicans on the Record

**President Bush Outlines Health Security Plan:
Endorses MSAs, Association Health Plans,
Health Insurance Tax Credits**

*The following text is taken from remarks made by President George W.
Bush on February 11, 2002 in Milwaukee.*

“Life expectancy in America today is eight years longer than it was in 1950, and 29 years longer than it was in 1900. That’s a lot of progress. And for millions, those extra years of life are more active and more healthy than anybody could have imagined. We’re making great progress against many diseases, such as breast cancer and colon cancer and childhood leukemia. The death rate from coronary disease is down 40 percent since 1980. Our country leads the world in Nobel Prizes for science and medicine, and in the invention of new drugs and medical devices. I truly believe that this progress is one of America’s greatest contributions to mankind. It is a tribute to the outstanding efforts of the medical profession, and to a system of private medicine that encourages innovation and rewards hard work.

“Yet our doctors and patients know that our system is far from perfect. Too many patients feel trapped by the system, with decisions about their health dictated by HMOs or government bureaucracies. Too many doctors feel buried in paperwork. I’ve heard it said that some doctors feel they don’t practice medicine, they practice insurance. At the same time, health care costs are rising sharply, and many people worry they won’t be able to afford the treatments they need. Some procedures are overused, often as defensive measures to avoid litigation. And about 40 million Americans still have no health insurance at all.

“We must reform health care in America. We must build a modern, innovative health care system that gives patients more options and fewer orders, and strengthens the doctor-patient relationship. Government has got to take an active role in reform. Yet it’s important that government’s role is not to centralize; nor is government’s role to control the delivery of medicine. Other nations have tried this route, and it has led to long waits for treatment, low- quality care and lagging technologies.

And for many patients, their experience with centralized government-controlled medicine leads them somewhere else — often right here to America, where they can get the treatment and care they need.

“The role of government in health reform is to fix the system where it’s failing, while preserving the quality and innovation of a private, patient-centered medical system. All reform should be guided by some goals. The first goal: all Americans should be able to choose a health care plan that meets their needs at affordable prices. When people have good choices, when people are given different options, health plans have to compete for business — which means higher quality and better coverage. Most Americans get their health coverage at work. Yet higher costs are causing some employers to cut back on benefits, or insist that the employee pay more — especially if they want to choose their own doctor or to avoid the complications of managed care. Many families end up in a health plan whose monthly premium puts a strain on their budget — and when they require care, they find what they need really isn’t fully covered.

“So here’s what I propose. I propose we give workers more choice. I propose we reform the system to make the system more individualized, by creating personal health accounts. Instead of paying a large premium every month for services you may not use, I believe we ought to have an account that allows a person to pay a much smaller premium for major medical coverage and then put the savings into a health account, tax free. The money is your money. It’s your money in the health account, not the government’s money. And you can use it for whatever health care need that arises. If you don’t use it, it’s yours to keep. And for the more affordable premium, you also get catastrophic care, protection in case of serious illness. The tendency for government is one-size-fits-all. If part of reform is to restore the patient-doctor relationship and to give patients more choices, we have to change the tax system to allow for patients to make decisions that are in their best interests.

“I also propose to help workers get better and more affordable choices in health plans at work. . . . A stand-alone small business does not have purchasing power in the market place. Either they can’t afford to cover or they have to allow their employees to settle on a high- premium, high-dollar single plan. And so what I propose is that we ought to allow employers to pool together — through an industry association or perhaps the Chamber of Commerce — so that they can get the best deal for their workers, just as large corporations are allowed to do.

“Too many workers get no coverage at all through their jobs. This is especially true among minorities, part-time employees and seasonal workers. For those with limited means, my budget will provide new credits to afford health coverage — up to a thousand dollars for an individual, or \$3,000 for a family. And they won’t have to wait for tax time to get these health credits. We’ll make them immediately available for qualifying families, giving them the help they need when they need it. And at the same time, we’ll work with our nation’s governors to create purchasing groups to negotiate with insurers for the people who use these health credits. In other words, people who don’t have insurance must be given incentive to purchase insurance; the states can help them pool, in order to get decent coverage; but it’s not a government program. In other words, we trust the people.”

[...]

<http://www.whitehouse.gov/news/releases/2002/02/20020211-4.html>

RPC Staff Contact: Michael Cannon, 224-2946