

1. Guarantee by law that everyone has access to affordable health coverage. Coverage should be without regard to their place of employment, place of residence within the United States or income.

Senator Barack Obama has outlined universal access to affordable health coverage as a keystone goal of his health reform proposals. On the other hand, while Senator John McCain has said that in principle he believes everyone should have access to affordable health coverage, his health reform proposal does not seek to guarantee it. Instead, his health reform proposal outlines cost containment as a keystone goal.

Mandates. In an effort to expand coverage, Obama proposes a coverage mandate for all children, but not for adults. In not mandating universal coverage, Obama seeks to first lower costs, and then consider expanding the mandate to all individuals. During a March 2008 forum on health reform, Gregg Bloche, an Obama health policy advisor, noted that Obama would like to give the cost-saving reforms time to work before mandating the purchase of coverage. Citing Massachusetts' experience with the individual mandate, Obama points out that mandating coverage does not in fact result in universal coverage. In Massachusetts, state officials have had to exempt nearly 20% of the state's uninsured population from the mandate due to the unaffordability of coverage even with generous subsidies. To date, approximately 50% of Massachusetts' uninsured population has complied with the mandate for coverage. Obama calls for an employer mandate to either offer coverage to employees or contribute a percentage of their payroll to the cost of coverage. McCain does not support neither an individual nor an employer mandate for coverage. Rather, he proposes to eliminate the tax exemption for employer sponsored insurance, and would use the money saved to provide individuals and families with a \$2500 and \$5000 tax credit (respectively) to purchase coverage.

Regulatory Reforms. Both candidates propose regulatory reforms related to how individuals purchase and pay for health insurance coverage. In seeking to limit the tax exemption for employer-sponsored coverage, McCain's goal is not to end employer-sponsored coverage but rather to use the money that would be raised by eliminating the tax exemption – estimated by the McCain campaign to be \$3.6 trillion over 10 years – to provide tax credits to individuals and families to buy coverage via the individual market. McCain also seeks to allow the purchase of portable health insurance across state lines. Obama seeks to require all insurers to provide coverage to all applicants regardless of health status and to establish a minimum benefit standard to which all health plans must adhere. By limiting employer-sponsored coverage and enabling individuals to purchase coverage across state lines, McCain “wants to give Americans control of their health-care dollars and take it away from employers and the government,” according to the Pacific Research Institute, a non-profit group that supports free-market oriented public policy initiatives. Unlike Obama, McCain does not support guaranteed issue requirements or a minimum benefit standard. Obama contends that a guaranteed issue requirement will help bring health coverage costs down because pooling together older and sicker individuals with younger and healthier ones helps spread the financial risks of insuring the former group across a larger pool of applicants. Additionally, Obama contends that without a guaranteed issue requirement, insurers will continue to deny coverage to individuals with pre-existing medical conditions. To

assist those who cannot obtain coverage in the individual market due to health status or age, McCain proposes the federal government provide financial assistance to states for the creation of high-risk pools. The state-run pools would contract with insurers to provide coverage to people who have been denied coverage in the individual market. McCain’s top domestic advisor, Douglas Holtz-Eakin, estimates that the pools will cost the federal government \$7-10 billion and will provide coverage to 5-7 million ‘high-risk’ individuals.

On the issue of premiums, both candidates offer a different reform proposal. McCain proposes a universal tax credit of \$2,500 for individuals and \$5,000 for families to encourage the purchase of health coverage, and would allow those obtaining innovative insurance that costs less than the tax credit to deposit the remainder in expanded Health Savings Accounts. McCain believes that giving individuals more choice of insurance options, and creating more competition among insurers, will reduce premium costs. Obama proposes premium subsidies for individuals and families who do not qualify for federal health care programs but still need assistance with the purchase of health coverage.

Cost. In an effort to reduce the number of uninsured Americans, Obama calls for initial, short-term significant financial investment in the health care system, with the expectation of substantial cost-savings in the long-term. Obama’s proposal is estimated to cost approximately \$50-65 billion per year when fully implemented. Obama anticipates this cost will be paid for by reinvesting savings in the health care system and rescinding President Bush’s tax cuts for the wealthy. *Newsweek* estimates that in total, Obama’s proposal will cost \$240 billion during his first Presidential term if elected. Some health policy analysts and economists argue that Obama’s proposal engage more in cost-shifting than cost-saving in his efforts to secure universal access to affordable health coverage during his presidency. Estimates on the total cost of McCain’s health reform proposal are not available, though many economists predict that it is significantly lower than Obama’s proposal. McCain – who contends that the country’s biggest health care issue is cost – focuses his proposal on cost containment through the expansion of the individual health care market, support for care coordination, price transparency, and smoking cessation programs. McCain believes market-based reforms will help reduce health care costs enough so that all Americans will be able to afford purchasing coverage. The current U.S. health care system costs \$2.1 trillion per year – with nearly 47 million uninsured Americans – and, if things continue as they are, is predicted to double to \$4.3 trillion by 2017.

Side-by-Side Comparison of the Candidates’ Proposals to Guarantee Universal Coverage

Sen. John McCain (R-AZ)	Sen. Barack Obama (D-IL)
Proposal is not designed or intended to achieve universal coverage but to make coverage more affordable for individuals and families.	Secure universal, portable coverage by the end of first Presidential term. Proposal calls for: providing federal income-related subsidies

<p>Greater emphasis on containing health care costs and giving individuals more choice of affordable insurance plans rather than having the government directly expand access to health insurance coverage to the uninsured or having employers control or limit the health plans offered to employees.</p> <p>Proposal calls for: eliminating tax treatment of employer-sponsored health insurance; providing a tax credit incentive to all individuals and families for the purchase of coverage; allowing the purchase of portable, multi-year health coverage; providing federal support for newly created state-run high-risk pools; promoting competition amongst insurers, and allowing those obtaining innovative insurance that costs less than the tax credit to deposit the remainder in expanded Health Savings Accounts.</p> <p>Build upon the existing pluralistic system.</p> <p>No single payer option.</p> <p>No mandates for coverage, care or costs. Insurers would not be required to cover individuals with pre-existing conditions but individuals with pre-existing conditions, who cannot buy coverage in</p>	<p>to Americans who neither qualify for Medicaid or SCHIP, nor have access to insurance through their employers, to purchase affordable coverage through a new public health insurance plan based on the FEHBP or from a private plan; reimbursing employers for “catastrophic costs” incurred by employees about a specified dollar threshold if the savings are used to reduce employees’ premiums, expanding Medicaid and SCHIP eligibility; promoting state experimentation with health coverage expansion, and prohibiting all insurers from denying coverage to individuals based on pre-existing conditions..</p> <p>Build upon the existing pluralistic system.</p> <p>No single payer option.</p> <p>Calls for coverage mandate for all children and requires all employers that do not provide coverage to contribute a portion of their payroll to a national coverage program.</p> <p>Seeks to eliminate unfair discrimination in insurance coverage by prohibiting insurers from denying coverage and charging different premiums based on pre-existing conditions.</p> <p>For more information visit the Obama website.</p>
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the private insurance market, would have access to “Guaranteed Access Plans” created by state governments with federal financial support.

Supports making health insurance portable across jobs, available to purchase on a multi-year basis and able to automatically bridge gap between retirement and Medicare eligibility.

For more information visit the McCain [website](#).