

Bipartisan reform

Try Healthy Americans Act

Tribune Editorial

Salt Lake Tribune

Updated: 06/22/2009 05:13:31 PM MDT

Members of Congress from both parties say they want to build a bipartisan health reform plan, but they ignore the one that already exists. It's the Healthy Americans Act, sponsored by Sen. Ron Wyden, D-Ore., and Sen. Bob Bennett, R-Utah. It's market-based, offers affordable, universal coverage and experts say that it would not break the bank. As members recoil from the \$1.5 trillion price tag on the Kennedy bill, we can't understand why Wyden-Bennett isn't getting a serious look.

Did we mention that the Healthy Americans Act is already in bill form (S.391)? Committees could begin to mark it up tomorrow. Besides Bennett, it has 12 co-sponsors in the Senate (eight Democrats, four Republicans).

The Healthy Americans Act would change many of the rules of health insurance. Basically, it would require everyone except retirees on Medicare to buy a standard private insurance plan or one sponsored by an employer through a state Health Help Agency. Benefits would be tightly regulated. Consumers could compare costs online. The agency would collect payments and promote best practices.

No one could be turned down for insurance, and premiums could not be based on health, prior conditions, gender, age, race or genetics.

To help people afford the insurance they would be required to buy, they would receive a standard deduction on their income taxes. The amount would vary based on whether the buyer was an individual, couple or family with children. In the initial two years of the plan, employers would be required to increase salaries by the amount the business has paid for employee insurance. In addition, employers would make "shared responsibility payments" to the government that would be a fraction, up to 25 percent, of the premium they previously paid for employer-funded insurance. That tax would be assessed depending upon the size of the business. Those revenues would help to subsidize the premiums for low-income people on a sliding scale up to 400 percent of the federal poverty line.

The plan has shortcomings. It would rely on market competition to contain costs, but that may not be enough to prevent insurers from gaming the system. There are no restraints on what providers could charge. Perhaps, like the Dutch system, the government should be able to set a global budget.

These problems are fixable. The larger point is that the Healthy Americans Act provides a solid foundation for a debate on regulated market-based reform.