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**Viewpoints: The Health Care Debate
America's Health Insurance Plans President Karen Ignagni
Kaiser Family Foundation
May 21, 2008**

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FEMALE SPEAKER: Karen Ignagi, Thank you for joining us today on Health08.org.

KAREN IGNAGNI: My pleasure, thank you.

FEMALE SPEAKER: What is, in your organization's view, the single largest problem facing the healthcare system today?

KAREN IGNAGNI: It is the uncertainty for individuals as to whether or not they will be able to maintain their healthcare coverage, they will be able to acquire healthcare coverage, they will be able to afford healthcare coverage and when they use it the quality will be what they expect. So it is three aspects of one problem essentially.

FEMALE SPEAKER: And when you describe all of those people you are putting in there, I presume the uninsured?

KAREN IGNAGNI: Yes, the people who do not have coverage now, who absolutely need it, the nation should commit to a proposition that all individuals in our country ought to have healthcare coverage. We proposed a strategy to do that, other organizations have adopted strategies to do it, many of us have worked together to promote strategies, so I think we are on the cusp of a tipping point for the nation actually to get very serious about finally solving this problem. But it has been 100 years in which we have tried to solve the problem in this country, as you know, and one of the single most important barriers to solving it is whether or not the nation will commit

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to the resources necessary to actually solve the problem once and for all. I suspect we are going to talk about that.

FEMALE SPEAKER: We will, but let us first go to your organization's remedy. It was rolled out in 2006; it was a plan for broader coverage than what currently exists, mixture of private and public. Why don't you explain more of it?

KAREN IGNAGNI: It has several propositions that are very straightforward. All Americans should have coverage and we proposed a strategy to get everybody in. There are two aspects fundamentally to it. One is a commitment that the nation must make to repair the safety net, to address consistently across the country with respect to SCHIP eligibility and Medicaid eligibility.

FEMALE SPEAKER: From one state to the next would be the same?

KAREN IGNAGNI: You need consistency, at a minimum we need consistency and we do not have that now. For example in the Medicaid program, which the Kaiser Family Foundation has worked exceedingly hard in trying to address and to improve in the Medicaid care, there are these categorical eligibility restrictions, nobody understands them throughout the country. We ought to replace that with an income standard.

So pure and simple in our view, anyone under 100-percent of federal poverty should have Medicaid eligibility. That plus SCHIP at 250-percent to make sure that we are

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repairing the safety net and having the kind of public program foundation that we need as a nation.

FEMALE SPEAKER: Why do you put the threshold at 100-percent, below 100-percent of the federal poverty level? That is a fairly low threshold.

KAREN IGNAGNI: We could definitely talk about going a little higher, but some states are so far from that 100-percent now. We have been trying to look at the getting certainty with respect to, it would be a major step forward to take proposition one that we have proposed which is do away with all of the categorical eligibility requirements and restrictions and don't just do a simple income test.

If we do that, plus we require that all states hit that objective of 100-percent that we are very, very far from that now. So we are trying to propose something that would repair the safety net which would provide a foundation that could be consistent across the country. If there are resources to do more, we are certainly prepared to talk about that.

This leads right into our second proposal which is to have refundable tax credits for working families so that from 100-percent to 400-percent of poverty on a sliding scale going up to \$80,000 providing a helping hand for working families, to be able to afford healthcare coverage.

FEMALE SPEAKER: This would capture many of the currently uninsured?

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KAREN IGNAGNI: Yes. There are several ways to look at the uninsured. One, we know there are 11 million people who are eligible for public programs who are not on the rolls, 11 million is a considerable number and we need to do a much better job of capturing them and we have proposed remedies to do that. Two, we know that 12 million people are offered coverage on the job and cannot afford to take it. They are offered coverage, but they cannot afford to take it. So just the 11 million plus the 12 million, the combination of the safety net strategies plus addressing the problems of working families we think immediately would take care of that.

The idea of going up to 400-percent of poverty, if you look at the data to look at where middle income people who work generally for small employers are feeling the problems of losing insurance, employers not being able to provide it, you do see quite a lot of activity between \$60,000 and \$80,000 worth of income, which is why we have proposed a sliding scale up to \$80,000 as opposed to simply \$60,000.

So repairing the safety net, providing helping hands for working families and then third, what would have helped significantly in the recent experience in California where they simply could not put the funds together to actually achieve universal coverage, providing state grants that the federal government would make available to states that meet specific

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objectives with respect to coverage to get everybody in. That is essentially our proposal.

Now there are other features to our proposal which we think can be very valuable, particularly one with respect to portability. We have proposed a new fund that could be attached to an individual, it is not an account, it is not a particular type of program or a particular type of coverage, it is simply an account that could attach to an individual, stick with him or her throughout their working and retired lives so if they are eligible for tax credits, they could go into the fund. If employers provide subsidies, that could go into the fund. If there are any other government programs that they are eligible for, that could go as well.

FEMALE SPEAKER: What do they use the fund for?

KAREN IGNAGNI: Any coverage they care to. It is not restricted to a particular type of program. So we are going to spend a little more time talking about this with advocacy organizations because the issue of portability is one that has been very frustrating for individuals who find themselves working for a number of employers and they don't have that consistency of coverage.

FEMALE SPEAKER: Often the word that is used is employers are encouraged to do thus and such, individuals are encouraged to do thus and such, there are no mandates. Why do you steer away from mandates?

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KAREN IGNAGNI: The way our program works is that we set federal goals and we did it over a period of time and required states to meet certain goals. So states would have to decide whether they are going to have an individual mandate, employer responsibility, government, additional government participation, etc. So we have the states making those decisions within federal guidelines. They don't get the helping hand from the federal government unless in fact they meet the specific coverage requirements.

So rather than decide that question in Washington, we made the decision that set the federal guidelines, these are the benchmarks you have to hit over a period of time and then the states would have room to decide this question of individual responsibility, employer responsibility or additional government responsibility. So they could decide how they make those decisions. But they would have to make them within a specific period of time to get the federal funds. Or else there would be a federal program that would begin to take hold.

FEMALE SPEAKER: And let us presume for a minute that everything you have laid out actually was implemented, how many people do you think would still be uninsured?

KAREN IGNAGNI: It depends on how the states actually approach this challenge. But we have tried to get about 90 to 95-percent of folks who are now uninsured in. There are

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additional people who needs definitely special programs and special help have to find them, etc., etc. We need to do a better job on the eligibility questions in terms of people who are eligible for public programs. So we are very supportive of getting everyone in. We wanted to have a strategy where we could do it as quickly as possible. In Massachusetts, for example, there are still a number of people who are outside the program and outside the system because they are hard to find. We recognize that.

So we did not start out with a policy that would leave people out, we are committed to universal coverage, but we are trying to lay down a series of policy proposals that would allow us to move as quickly as possible recognizing that the last 5-percent, the last 2-percent, depending upon the state, may be a difficult matter to achieve as it has been in other countries, by the way. We have been doing a great deal of research on other countries throughout the globe and whether or not they are 2-percent out, 3-percent in some cases, it varies between one or the other and we are trying to learn about why that is and how we can take those lessons and apply them here.

So we are well on our way to trying to solve the rest of the problem and develop strategies that would be addressed toward that. We are committed to 100-percent, everyone should be in and we should do it as quickly as possible through a series of strategies which are public and private.

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FEMALE SPEAKER: What are the most significant obstacles you see to getting some kind of healthcare change enacted? Whether it is your organization's plan or someone else's? You have been working in this town for many, many years; you know what the obstacles are. In 2008, 2009 what do you see the most?

KAREN IGNAGNI: I think this is a fundamental question that you have posed and actually the Kaiser Family Foundation has done years of polling, which I think provides some insights into this question. This is, I think, what you learn when you look at the polling, whether it is Kaisers or others.

Essentially in this country we have the people who say they are committed to healthcare reform and getting everybody covered is a very, very high number. That number drops off considerably when people are asked will you support an individual mandate, would you support employer mandate, would you support higher taxes. Therein is the policy conundrum.

So it's important for organizations that support reform to work together, to try to help the next president, to prepare the way for the nation to understand that we are now being called upon to invest in the country in a way that will improve productivity, kids cannot to school if they do not have health insurance and they are sick. People cannot go to work if they do not have health insurance and they are sick.

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Our entire productivity suffers. It is a question, it is almost a national calling, is the country ready to contribute to this problem? We hope the answer will be yes.

FEMALE SPEAKER: Contribute to the solution.

KAREN IGNAGNI: To the solution, I'm sorry. We hope that the answer will be yes. But I actually meant it in a way, will they be able to contribute to the problem or ameliorating the problem. Right now if you ask them just pure and simple would they support reform, it's a very, very high number, but there is a real dissonance between the numbers who support reform and the numbers who are ready and willing and able to actually contribute. That is where we need to do a great deal of work.

In the SCHIP discussion most recently, last summer we worked with the American Cancer Society, we worked with a range of advocacy groups to try to generate funding for the SCHIP expansion. We did a lot of work with members of congress on both sides of the aisle in support of increasing cigarette taxes. Indeed, states are now turning to increasing cigarette taxes to expand coverage and all of these are important strategies that states are using.

We have to come back to the SCHIP discussion. Next spring we are going to be able to do that. We will be an important part of that, but then we have to get the adults on the table and we have to fund that as a nation. That is going

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to be a challenge in terms of what the polls say people are actually willing to do. So we need to be very much working together, not simply on the policy ideas of how do you do it at 30,000 feet from a macro perspective, but how do you develop the consensus that is going to be necessary for the American people to feel yes, I want to contribute to this.

FEMALE SPEAKER: And yet a lot of the dynamics you just described you could have said four years ago, eight years ago, 12 years ago and the bottom line question is, is this year, is next year going to be any different?

KAREN IGNAGNI: Well, I hope so. The honest answer to your question is that no one can know and in large measure it depends on presidential leadership. It depends on various stakeholder organizations coming together and taking leadership as well.

FEMALE SPEAKER: And being willing to compromise on their positions.

KAREN IGNAGNI: Well, we have had a history of doing that and I think a number of other organizations have. A number of us worked together on SCHIP, we stayed together throughout the process and worked very hard to try to get it done. I think that that is an early indicator of a number of organizations from a variety of perspectives being willing to tackle this problem productively. But the issue is when we talk about social policy in our country, politicians have had a hard

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time talking to the American people about you have to invest in something that is going to cause you to make sacrifices in terms of committing additional resources and there are several ways to do it; additional taxes, whether it is general revenues, whether it is consumption taxes, whether it is some other mechanism, but we are going to have to raise additional resources to get this problem solved once and for all.

And so it is going to be important for a president to recognize that. I think with that, however, will necessarily come a commitment to not just only deal with the access side, but also deal with the value side and the cost side. And I think that could in fact make the policy objective clearer and I think it could make it easier to solve than simply putting the cost side on the sidelines.

I think when you think about middle income folks being asked to do something they are not doing today, you need to assure them that they are going to get more value, you need to assure them that folks are very focused on that and this is what they will see from the perspective of productivity and value in the healthcare system.

FEMALE SPEAKER: I have one final question. What are your thoughts about the timing of this? There is a theory that a president would have to move very, very quickly to make some proposals and to work it through the congress because if you take the slow road things become too bogged down in the

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traditional politics of Washington. So what are your thoughts about the necessary timing?

KAREN IGNAGNI: Well, everyone has read the first 100 day books about FDR and other presidents and I think that it is very smart to think about, as a new president, what are the two or three major themes of a presidency, what is going to be necessary to actually achieve that, and I think that education of the public whether it happens in 100 days or takes 200 days is the most fundamental thing for our being able to get everybody covered, reducing healthcare costs and no politician is really talking about reducing healthcare costs, but if we are going to bring everybody into the system we have to take on the underlying healthcare issues, the safety issues, the variation issues.

We could talk for another 15 minutes about all those issues, but they matter in terms of leveraging the opportunity to actually achieve reform that will work, will be accepted and that the American people will commit to funding and that's the bottom line. So if the education for that takes 200 days rather than 100, I think that that is important to establish that foundation because the bottom line is we are going to have to raise additional resources and the American people have to be prepared for that.

In campaigns it is very hard to prepare folks for that. I think we will hear a great deal of rhetoric about there is

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enough money in the system as indeed we have heard over a number of years and decades. I do not happen to believe that is the case. I think you are bringing 50 million people, roughly, now and we may see that number in the summer when we see the new census number into the system that do not have coverage and that we are going to have to fund.

But at the same time, the American people are going to expect a conversation about improving value, improving efficiency; we have comparative effectiveness which may happen this year. We do not have an ability to assess technology, drug-to-drug, drug-to-device, et cetera, all that is going to be very, very important.

FEMALE SPEAKER: Karen Ignagni, thank you so much.

KAREN IGNAGNI: Thank you.

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