



The Candidates and Your Health Care Costs

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Senator McCain and **Senator Obama** share some common ground on controlling overall health care costs. But, when it comes to addressing how much consumers have to pay for care, the candidates' differences run deep.

Senator McCain believes that health costs are going up because consumers don't have to pay the bills themselves, so they get too much care – too many treatments, too many services. The solution? Make consumers feel even more of the sting of health care spending so they'll be more frugal. The McCain plan encourages consumers to sign up for Health Savings Accounts with high-deductible health plans, which require large payments up-front, before insurance kicks in. His plan also encourages consumers to shop for health insurance on their own in the unregulated individual market. Senator McCain believes that these measures will make Americans think twice before they seek medical care, and that they will look for the lowest prices for coverage and treatment, which will eventually lower their health costs overall.

Senator Obama's plan, by contrast, focuses on insurance company, not consumer, behaviors. To reduce out-of-pocket costs for individuals and families, the Obama plan requires insurance companies to comply with reasonable rules for how they can operate and spend premiums. In addition, Senator Obama's proposed National Health Insurance Exchange provides a new way for every American to purchase and keep a quality, affordable health plan.

Here are some other differences between Senator McCain's and Senator Obama's plans to address health insurance costs:

Making Sure Premium Dollars Are Actually Spent on Care

Right now, insurance companies are generally free to collect premium dollars and use them as they choose on advertising, administration, or as profits, instead of using them to deliver health care. **Senator Obama's** health care plan creates a new rule requiring insurance companies to spend a specified share of each premium dollar they collect on delivering health care to consumers. **Senator McCain's** health care plan does not require insurance companies to spend any specific portion of premium dollars on health care for Americans.

Controlling Premium Costs for the Sick

For the most part, insurance companies are allowed to increase premiums as much as they choose based on an applicant's health. This makes health insurance prohibitively expensive for millions of Americans. **Senator Obama's** health care plan creates a National Health Insurance Exchange in which insurance companies will be prohibited from charging higher premiums based on health problems. **Senator McCain's** health care plan does not set any limits on how much higher insurance companies can set enrollees' premiums based on their health. Instead, his plan relies on the market alone to control costs for people who are older or sicker.

Protecting People with Pre-Existing Conditions

Many Americans with pre-existing conditions, ranging from common problems such as hay fever, to serious conditions like cancer, cannot find a single insurance company willing to sell them a health plan. These consumers rack up debt as they try to pay for their care out-of-pocket, or they jeopardize their health by going without needed care. **Senator Obama's** health care plan requires insurance companies to sell a quality, affordable health insurance plan to every single person who applies, regardless of any pre-existing conditions. **Senator McCain's** health care plan lets insurance companies continue to deny coverage to people because of pre-existing conditions. His plan also allows insurers to exclude pre-existing conditions from coverage when they do offer a policy.

Letting States Protect Their Residents

With no national rules to protect Americans from abusive insurer practices, some states have passed their own laws to prohibit unreasonably high premiums, pre-existing condition exclusions, or outright denials of coverage. Health reform proposals that threaten these hard-fought consumer protections may expose Americans to even higher costs. **Senator Obama's** health plan builds upon state consumer protections, setting national standards for insurer behaviors and letting states go above and beyond these standards to protect their residents further. **Senator McCain's** health plan undermines state rules that protect American families from insurer abuses. His plan allows insurance companies to sell their health plans from any state, likely driving insurers to sell their plans from whichever state has the fewest consumer protections.

Conclusion

Health costs for American families will continue to rise until policy makers take action against insurance company practices that increase profits while pricing many consumers out of coverage altogether. **Senator Obama's** health care plan requires insurance companies to play by fair rules so that all Americans can purchase and keep a quality health plan that they can afford. **Senator McCain's** plan takes a step in the wrong direction, requiring *more* out-of-pocket spending from American families and allowing insurance companies to continue to increase costs for consumers.

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