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Senator Barack Obama

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# Affordable Health Care for All Americans

## The Obama-Biden Plan

Senator Barack Obama

*The 2 major Presidential candidates were asked to provide “a statement regarding your proposal for health care in America.” The following are their answers as submitted.*

**A**LL ACROSS THIS COUNTRY, I’VE HEARD COUNTLESS heartbreaking stories from people struggling to make ends meet while coping with a broken health care system. Each one reminds me that this election is about them. It’s about them and every one of the 45 million Americans across this country who go without the health care they need and the millions more who struggle to pay rising costs.

Over the past 8 years, 7 million Americans have joined the ranks of the uninsured, and many of them are people whom insurers refuse to cover because of existing medical conditions. Premiums have nearly doubled as the average family has watched its real income fall by \$2000. More than 10 million Americans with insurance still spend more than a quarter of their salary on health care. Millions worry that developing a serious medical problem could cost them their coverage, and millions more fear that one illness could cost them everything.

Our health care crisis isn’t just a problem for those worried about their coverage; it places a growing burden on the rest of us. Every time an uninsured person walks into an emergency room because they have nowhere else to turn, it drives up premiums for everyone—an extra \$922 per family in 2005 alone.

At the same time, businesses are finding it difficult to compete because of the skyrocketing cost of premiums. Half of all small companies cannot afford to insure their workers, and it puts our biggest employers on an unequal playing field in the global marketplace.

To make matters worse, much of the money we spend on health care is lost to massive waste and inefficiency. The United States leads the world in health care expenditures, but 1 out of every 4 dollars is swallowed up by administrative costs. Each year, 100 000 Americans die because of medical errors, and we lose \$100 billion because of prescription drug errors alone. Meanwhile, only 4 cents of every dollar spent on health care goes to prevention, while 29 other countries have a higher life expectancy and 38 other nations have lower infant mortality rates. And every year, insurers spend \$50 billion a year

figuring out how not to cover people. There’s an awful lot of waste and inefficiency in our system.

As Americans struggle with growing health care costs, now is the time to ensure affordable, accessible coverage for every American, and bring down costs for all Americans.

That’s what the Obama-Biden health care plan does. Our 3-part plan will build upon the strengths of the current system, including innovative state-level efforts, while addressing its glaring weaknesses. The Obama-Biden plan will guarantee that all Americans have quality health coverage and will save a typical American family up to \$2500 every year on medical expenditures by (1) providing affordable, accessible health care to all; (2) modernizing the US health care system to contain spiraling costs and improve the quality of patient care; and (3) promoting prevention and strengthening public health to prevent disease and protect against natural and man-made disasters.

### Quality Health Coverage for Every American

The Obama-Biden health care plan will provide affordable and accessible health coverage for every American by building on the current insurance system and leaving Medicare intact for older and disabled Americans.

Our plan will lower annual health care costs by \$2500 for a typical family. For Americans satisfied with their current health insurance, nothing will change except their costs will go down.

Americans will also be able to choose from a range of private health insurance options through a new National Health Exchange, which will establish rules and standards for participating plans. The Exchange will also include a new public plan that will provide coverage similar to the kind members of Congress give themselves. This plan will cover all essential medical services, including preventive, maternity, disease management, and mental health care. Costs will be low, and Americans who cannot afford it and do not qualify for Medicaid or SCHIP [State Children’s Health Insurance Program] will receive a tax subsidy to pay for coverage. Care will be high-quality, and coverage will be portable and easy to enroll in and use.

In addition, the Obama-Biden plan will require coverage for all children and require that employers either make a meaningful contribution to coverage for their employees or

**Author Affiliation:** Mr Obama is a senator from Illinois. He is the Democratic nominee for President of the United States.

contribute a percentage of payroll toward the cost of the national plan. Small businesses will be exempt from this requirement, but our plan will create an incentive for them to cover their employees via a refundable tax credit worth up to 50% on premiums paid.

### **Modernize the System to Lower Costs and Improve Quality**

America spends almost twice as much as other industrialized countries on health care spending per capita with poorer health outcomes. And yet, health care spending is expected to double within the next decade.

A growing body of research points to substantial opportunities to improve quality of care while reducing costs. Some researchers estimate that as much as 30% of health care spending does not contribute materially to patient outcomes.

We must dramatically redesign our health system to reduce inefficiency and waste and bring down costs for families and individuals. The Obama-Biden health plan will save the typical family \$2500 in health care costs per year by enacting efficiency-enhancing reforms, including

- Making an up-front investment of \$50 billion in electronic health information technology systems to reduce errors, saving lives and money;
- Reducing the costs of catastrophic illnesses for employers and their employees by reimbursing employers for a portion of costs if savings are used to lower workers' premiums;
- Requiring disease management programs and integrated preventive care to help bring down the costs of caring for people with chronic conditions such as diabetes, heart disease, and high blood pressure;
- Requiring health plans to disclose what percentage of premiums actually goes to patient care as opposed to administrative costs;
- Launching a comprehensive effort to tackle health care disparities;
- Reforming medical malpractice while preserving patient rights, and strengthening antitrust laws to prevent insurers from overcharging doctors for malpractice insurance; and
- Eliminating the excessive subsidies paid to Medicare Advantage plans and paying them the same amount it would cost to treat the same patients under traditional Medicare.

The Obama-Biden plan will also address the rising cost of prescription drugs, the second-fastest growing type of health expense. To bring costs down, the Obama-Biden plan will allow Americans to import inexpensive and safe pre-

scription drugs from other countries, increase the use of generic drugs in all public health plans, stop large drug companies from paying to keep generics out of markets just to preserve their profits, and create a pathway to bring generic vaccines and other biologic medicines to the market. And it will allow Medicare to negotiate with drug companies for better prices.

### **Prevention and Public Health**

Covering the uninsured and modernizing America's health care system are urgent priorities, but they're not enough. If we fail to focus on prevention and promoting public health, we won't succeed in containing medical costs or improving the health of the American people.

America faces an epidemic of chronic disease. One in 3 Americans lives with a chronic condition. Obesity seriously impacts the health of millions, especially children, 1 in 3 of whom will develop diabetes in their lifetime.

Devoting more of our health care funds to prevention will save tens of millions of dollars and improve millions of lives. As President, I will work with every sector of society—employers, school systems, community groups, and families—to ensure that Americans have access to preventive care. I will require that all federally supported health care plans cover preventive services. And I will increase funding to expand community-based preventive interventions to help Americans make better choices to improve their health.

### **Conclusion**

Now is the time for quality, affordable health care for every American who wants it. This is our moment to turn the page on the failed politics of yesterday's health care debates and finally bring together business, the medical community, and members of both parties around a comprehensive solution to our health care crisis.

The Obama-Biden plan is that solution. It will guarantee that every American has health care when they need it, that those Americans who are satisfied with their health coverage can keep it, that every senior has prescription drugs they can afford, and that parents go to bed at night without worry that treatment for their sick child might drive them into financial ruin. And I will sign it into law by the end of my first term in office.

That's the future that is within our reach. That's the choice facing the country this fall. And that's why I'm running for President of the United States of America.

To vote for the proposal you prefer, go to <http://jama.com/vote>.