



Our Health Record

How CAPAF Has Shaped the National Debate on Health Reform

Our nation finds itself at a historic moment. We have a new president preparing to take office who has committed himself and his administration to ensuring that all Americans enjoy affordable, high-quality health care coverage. The possibility of real reform for our nation's broken health care system seems very much within reach.

There is a clear need to fix our broken system and to chart a new, more effective path forward. We need to renew America's deep, long-standing commitment to fairness, and that we needed to properly equip our nation to deal with the challenges of the 21st century and reforming our health care system will be an integral part of this renewal agenda. That is why the Center for American Progress Action Fund and our sister organization, the Center for American Progress, have made health care reform a top policy priority since our inception.

The Center for American Progress put forth a bold but practical approach to guaranteeing Americans affordable, quality health coverage three years ago. The Center's *Plan for a Healthy America* staked out priorities that have become common themes in the current health care debate, including: affordable coverage for all Americans; shared financial responsibility across families, businesses, and government; and improving value in our health care system by making the up-front investments needed to achieve long-run savings and quality improvements.

But good ideas alone will not lead to the change the nation needs. That's why the Action Fund worked with partners across the country during the 2006 election to demonstrate that leaders who embrace a message of real health care reform will enjoy broad support from voters in key races. During that election cycle, eight new senators and more than 20 new representatives who made health care reform their platform ran and won.

The Action Fund then turned its attention to the presidential race because we knew our ability to reform the broken health care system would require presidential leadership. In partnership with the Service Employees International Union, the Action Fund challenged all the presidential hopefuls to address health care reform in March of 2007. Sen. Hillary Clinton

(D-NY), Sen. Chris Dodd (D-CT), Sen. John Edwards (D-NC), Sen. Mike Gravel (D-AK), Sen. Barack Obama (D-IL), Rep. Dennis Kucinich (D-OH), and Gov. Bill Richardson (D-NM) joined us at the University of Nevada, Las Vegas, to outline their ideas for health care reform. All seven candidates agreed to make affordable coverage for all Americans a top federal priority. We were pleased to be part of this unprecedented moment when so many presidential candidates committed to make coverage affordable for all for the first time.

Our sister organization, the Center for American Progress, also built the Better Health Care Together coalition with SEIU, Wal-Mart, the Communications Workers of America, AT&T, and other partners in early 2007 because we knew that outside support would be critical to success. This group of leaders from business, labor, and civil society called for the federal government to ensure that all Americans have access by 2012 to value-based, quality health coverage, based on shared responsibility for financing, management, and wellness. We believed that if notorious adversaries like Wal-Mart and SEIU could find common ground on health care reform, our political leaders in Washington could surely do the same. Better Health Care Together continues to explore critical issues in health care reform and build support for change.

Earlier this year, the Action Fund began working with Health Care for America Now, a broad coalition of labor unions, health care advocates, faith-based groups, and grassroots activists who are committed to health care reform that guarantees universal, affordable health insurance based on meaningful choices and quality coverage.

And as the race to the White House progressed, and the national debate on health care intensified, the Action Fund continued to push the conversation on health care and hold the fire to the candidates' feet. We sought to make health care a central part of the presidential contest, and we succeeded by focusing on Senator John McCain's (R-AZ) health plan.

Over the last nine months of the election, the Action Fund and our rapid-response policy blog, the Wonk Room, shined a bright light on the McCain plan's shortcomings. Senator McCain was forced to make significant adjustments to his plan in response to our analysis and criticism. And most importantly, our analysis illuminated exactly how the McCain plan would move our health care system backward.

The Action Fund offered three broad levels of analysis:

1. Elizabeth Edwards provided a critique of how poorly the McCain plan would have served people with pre-existing conditions.

- We provided findings showing that 56 million people with employer-sponsored coverage have pre-existing conditions—and that they would have been particularly vulnerable if the McCain plan had been enacted.

- Jonathan Cohn at the *New Republic* said of Edwards' critique, "In just the last few weeks, this issue has started to become a political liability for McCain, thanks mostly to Elizabeth Edwards, who—in addition to being a well-known cancer patient—is also a well-known policy wonk."
- McCain responded by adding "Guaranteed Access Plans" to his health proposal—an effort to provide coverage to people with pre-existing conditions through state-based high-risk pools, rather than requiring health insurance companies to offer coverage in the market.

.....

2. The Action Fund conducted analysis showing that McCain's proposal to tax employer-provided health coverage would have forced middle-class families to pay higher taxes.

- We examined the inadequacy of McCain's \$5,000 tax credit in a world where average employer-sponsored coverage costs more than \$12,000. Our research found that McCain's radical changes to the tax treatment of health care, combined with the slow growth of his health care tax credits, would have resulted in most middle-class families either paying higher taxes immediately or in the not-so-distant future.
- McCain responded by clarifying that he would subject employer-sponsored health benefits to income taxes but not payroll taxes, which evaded the criticism that he would raise taxes on most families, but blew a \$1.3 trillion budget hole in his proposal.

.....

3. Based on statements to *The Wall Street Journal*, we concluded that McCain's efforts to fund his health plan through Medicare and Medicaid "savings" could have resulted in dramatic cuts of \$882 billion to Medicare and \$419 billion to Medicaid spending over 10 years.

- The McCain campaign called a press conference to try to smear these findings.

The Wonk Room and the Action Fund developed several reports highlighting these findings and other weaknesses in the McCain plan, including ill effects to:

- **Women's health:** The McCain plan would have threatened coverage for 30 million women with chronic diseases, and would have eroded important state requirements aimed specifically at protecting women's access to some of their most basic health needs.
- **Pre-retirees:** Older Americans not yet eligible for Medicare would have faced serious barriers to obtaining health insurance under the McCain plan.

- **Minorities:** The McCain plan would have seriously compromised health and health care for racial and ethnic minorities.
- **Individual state residents:** Health care varies significantly from state to state, and we showed the negative effect that the McCain plan would have had on several states.

The Wonk Room and the Action Fund also provided important analyses about what Sen. McCain would have meant to the health system as a whole. We concluded that the McCain plan would have added \$20 billion in administrative costs to our already expensive health care system. We also concluded that the McCain proposal offered no meaningful answers to exploding health care costs.

Tuesday night, Americans rejected a health care plan that would have left them to fend for themselves and embraced a vision of affordable coverage for all, shared responsibility, and improved quality and value.

We realize how quickly the next president must act to revitalize our struggling health care system. We look forward to working with President Obama, Congress, and our allies in business, labor, and civil society to bring these changes into being. And we will be there to make sure they happen in a manner that is consistent with our American values and builds the foundation for long-term economic growth and financial security.