

Health Care for America: The Political Divide **Two Approaches to U.S. Health Care Reform** *Shared Responsibility vs. 'You're On Your Own'*



The two widely divergent approaches to dealing with problems of the U.S. health care system today generally parallel different political philosophies that pivot on how individuals view the role of government.

Those who want to diminish the role of government have called for individuals to shoulder the burden of health care costs, an approach that the Economic Policy Institute characterizes as “You’re On Your Own.”

Government has a role in Health Care for America, a reform plan promoted by EPI that combines the best elements of the current employer-based system and the Medicare model. A large national pool administered by the government would compete with private plans to provide health care for everyone, a “Shared Responsibility” approach.

Following are the major elements of the two different approaches:

SHARED RESPONSIBILITY

Employers would offer health coverage at least as good as Health Care for America, or pay 6 percent of payroll into a national pool to cover their employees

YOU'RE ON YOUR OWN

Current tax deduction for employers that offer health care would be eliminated in favor of a new standard income tax deduction for anyone with health insurance – essentially a disincentive for employers to offer coverage

SHARED RESPONSIBILITY

Individuals would automatically be enrolled, either at their place of work or when they seek care, with a guarantee of coverage from birth until they go on Medicare. Premiums would be capped, with generous subsidies for lower-income families.

YOU'RE ON YOUR OWN

Individuals would be encouraged to purchase health care through tax incentives, including tax-advantaged health savings accounts for high-deductible plan enrollees. Individuals with modest means would be left out.

SHARED RESPONSIBILITY

The federal government would use the buying power of the large national pool to negotiate lower costs by providers and drug companies.

YOU'RE ON YOUR OWN

The government would not regulate the individual insurance market either to increase access or to reduce costs, producing less coverage at higher cost, without pooling risks.