



## **BARACK OBAMA'S PLAN FOR A HEALTHY AMERICA: Lowering health care costs and ensuring affordable, high-quality health care for all**

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The U.S. spends over \$2 trillion on medical care every year, and offers the best medical technology in the world.<sup>1</sup> Americans have their choice of top doctors and hospitals, and our national investment in scientific research has paid off handsomely. Diseases that were once life-threatening are now curable; conditions that once devastated are now treatable. Yet, the benefits of the American health care system come at a price that an increasing number of individuals and families, employers and employees, and public and private providers cannot afford.

**Millions of Americans are uninsured or underinsured because of rising medical costs.** Nearly 46 million Americans<sup>2</sup>—including over 8 million children<sup>3</sup>—lack health insurance. Eighty percent of the uninsured are in working families.<sup>4</sup> Even those with health coverage are struggling to cope with soaring medical costs. Skyrocketing health care costs are making it increasingly difficult for employers, particularly small businesses, to provide health insurance to their employees.

**Health care costs are skyrocketing.** Health insurance premiums have risen 4 times faster than wages in the past 6 years, and increasing co-pays and deductibles threaten access to care.<sup>5</sup> Many insurance plans cover only a limited number of doctors' visits or hospital days, exposing families to unlimited financial liability. Nearly 11 million insured spent more than a quarter of their salary on health care last year.<sup>6</sup> And over half of all personal bankruptcies today are caused by medical bills.<sup>7</sup> Lack of affordable health care is compounded by serious flaws in our health care delivery system. About 100,000 Americans die from medical errors in hospitals every year.<sup>8</sup> Prescription drug errors alone cost the nation more than \$100 billion every year.<sup>9</sup> One-quarter of all medical spending goes to administrative and overhead costs and reliance on antiquated paper-based record and information systems needlessly increases these costs.<sup>10</sup>

**Underinvestment in prevention and public health.** Too many Americans go without high-value preventive services, such as cancer screening and immunizations to protect against flu or pneumonia. Providers are not adequately reimbursed for helping patients manage chronic illnesses like diabetes or asthma.<sup>11</sup> Similarly, community-based prevention efforts, which have helped to drive down rates of smoking and lead poisoning, for example, are under-utilized despite their effectiveness. The nation faces epidemics of obesity and chronic diseases as well as new threats of pandemic flu and bioterrorism. Yet despite all of this less than 4 cents of every health care dollar is spent on prevention and public health.<sup>12</sup> Our health care system has become a disease care system, and the time for change is well overdue.

### **BARACK OBAMA'S PLAN FOR A HEALTHY AMERICA**

Barack Obama believes when it comes to health care America can and must do better. In the absence of national leadership, states have been leading the way with health care reforms that lower costs and provide coverage for all. Obama has a three part plan to build upon the strengths of the U.S. health care system, including innovative state efforts, and address its glaring weaknesses, such as affordability. Through partnerships among federal and state governments, employers, providers and individuals, the Obama plan will save a typical American family up to \$2,500 every year on medical expenditures by:

- (1) Providing affordable, comprehensive and portable health coverage for every American;
- (2) Modernizing the U.S. health care system to contain spiraling health care 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.

**Under the Obama plan, the typical family will save up to \$2,500 every year through:**

- Health IT investment, which will reduce unnecessary spending in the system that results from preventable errors and inefficient paper billing systems;
- Improving prevention and management of chronic conditions;
- Increasing insurance industry competition and reducing underwriting costs and profits, which will reduce insurance overhead;
- Providing reinsurance for catastrophic coverage, which will reduce insurance premiums; and
- Making health insurance universal, which will reduce spending on uncompensated care.

## QUALITY, AFFORDABLE & PORTABLE HEALTH COVERAGE FOR ALL

Barack Obama believes that every American has the right to affordable, comprehensive and portable health coverage. Currently there are nearly 46 million Americans lacking health insurance, and millions more are at risk of losing their coverage due to rising costs.<sup>13</sup> Rising costs are also a burden on employers, particularly small businesses, which are increasingly unable to provide health insurance coverage for their employees and remain competitive. Three million fewer Americans receive health insurance coverage through their employers now compared to five years ago,<sup>14</sup> and this trend shows no sign of slowing down. It is simply too expensive for individuals and families to buy insurance directly on the open market and impossible for many with pre-existing conditions.

The Obama plan will guarantee coverage for every American through partnerships among employers, private health plans, the federal government, and the states. The plan both builds on and improves our current insurance system, which most Americans continue to rely upon, and leaves Medicare intact for older and disabled Americans. Under the Obama plan, Americans will be able to maintain their current coverage if they choose to, and will see the quality of their health care improve and their costs go down. The Obama plan also addresses the large gaps in coverage that leave nearly 46 million Americans uninsured. Specifically, the Obama plan will: (1) establish a new public insurance program, available to Americans who neither qualify for Medicaid or SCHIP nor have access to insurance through their employers, as well as to small businesses that want to offer insurance to their employees; (2) create a National Health Insurance Exchange to help Americans and businesses that want to purchase private health insurance directly; (3) require all employers to contribute towards health coverage for their employees or towards the cost of the public plan ; (4) mandate all children have health care coverage; (5) expand eligibility for the Medicaid and SCHIP programs; and (6) allow flexibility for state health reform plans.

**(1) OBAMA'S PLAN TO COVER THE UNINSURED.** Obama will make available a new national health plan which will give individuals the choice to buy affordable health coverage that is similar to the plan available to federal employees. The new public plan will be open to individuals without access to group coverage through their workplace or current public programs. It will also be available to people who are self-employed and small businesses that want to offer insurance to their employees.

The plan will have the following features:

- **Guaranteed eligibility.** No American will be turned away FROM ANY INSURANCE PLAN because of illness or pre-existing conditions.
- **Comprehensive benefits.** The benefit package will be similar to that offered through the Federal Employees Health Benefits Program (FEHBP), the program through which Members of Congress get their own health care. The new public plan will include coverage of all essential medical services, including preventive, maternity and mental health care. Coverage will include disease management programs, self management training and care coordination for appropriate individuals.
- **Affordable premiums, co-pays and deductibles.** Participants will be charged fair premiums and minimal co-pays for deductibles for preventive services.
- **Subsidies.** Individuals and families who do not qualify for Medicaid or SCHIP but still need assistance will receive income-related federal subsidies to keep health insurance premiums affordable. They can use the subsidy to buy into the new public plan or purchase a private health care plan.

- **Simplifying paperwork and reining in health costs.** The plan will simplify paperwork for providers and will increase savings to the system overall.
- **Easy enrollment.** The new public plan will be simple to enroll in and provide ready access to coverage.
- **Portability and choice.** Participants in the new public plan and the National Health Insurance Exchange (see below) will be able to move from job to job without changing or jeopardizing their health care coverage.
- **Quality and efficiency.** Participating hospitals and providers that participate in the new public plan will be required to collect and report data to ensure that standards for health care quality, health information technology and administration are being met.

**(2) NATIONAL HEALTH INSURANCE EXCHANGE.** To provide Americans with additional options, the Obama plan will make available a National Health Insurance Exchange to help individuals who wish to purchase a private insurance plan. The Exchange will act as a watchdog and help reform the private insurance market by creating rules and standards for participating insurance plans to ensure fairness and to make individual coverage more affordable and accessible. Through the Exchange, any American will have the opportunity to enroll in the new public plan or purchase an approved private plan, and income-based sliding scale subsidies will be provided for people and families who need it. Insurers would have to issue every applicant a policy, and charge fair and stable premiums that will not depend upon health status. The Exchange will require that all the plans offered are at least as generous as the new public plan and meet the same standards for quality and efficiency. Insurers would be required to justify an above-average premium increase to the Exchange. The Exchange would evaluate plans and make the differences among the plans, including cost of services, transparent.

**(3) EMPLOYER CONTRIBUTION.** Employers that do not offer meaningful coverage or make a meaningful contribution to the cost of quality health coverage for their employees will be required to contribute a percentage of payroll toward the costs of the national plan. Small businesses will be exempt from this requirement.

**(4) SUPPORT FOR SMALL BUSINESSES.** Barack Obama understands that the skyrocketing cost of healthcare poses a serious competitive threat to America's small businesses.<sup>15</sup> Obama will create a Small Business Health Tax Credit to provide small businesses with a refundable tax credit of up to 50 percent on premiums paid by small businesses on behalf of their employees. To be eligible for the credit, small businesses will have to offer a quality health plan to all of their employees, and cover a meaningful share of the cost of employee health premiums. This new credit will provide a strong incentive to small businesses to offer high quality health care to their workers and help improve the competitiveness of America's small businesses.

**(5) MANDATORY COVERAGE OF CHILDREN.** Obama will require that all children have health care coverage. Obama will expand the number of options for young adults to get coverage by allowing young people up to age 25 to continue coverage through their parents' plans.

**(6) EXPANSION OF MEDICAID AND SCHIP.** Obama will expand eligibility for the Medicaid and SCHIP programs and ensure that these programs continue to serve their critical safety net function.

**(7) FLEXIBILITY FOR STATE PLANS.** Due to federal inaction, some states have taken the lead in health care reform. These efforts are laudable and are helping to lead the way toward meaningful health care reform. The Obama plan is a national one that builds on these efforts, and it will not replace what states are doing. Indeed, states can continue to experiment, provided they meet the minimum standards of the national plan.

## MODERNIZING THE U.S. HEALTH CARE SYSTEM TO LOWER COSTS & IMPROVE QUALITY

Health care spending is expected to double within the next decade.<sup>16</sup> Though Americans spend almost twice as much per person as citizens of other industrialized countries,<sup>17</sup> their health status is no better and by many measures actually worse. Americans die younger, and their newborns die more frequently than in other developed nations.<sup>18</sup>

Inefficient and poor quality care costs the nation at least \$50 to \$100 billion every year.<sup>19</sup> Billions more are wasted on administration and overhead because of inefficiencies in the health care system.<sup>20</sup> America has the best health care technology in the world, but it is often not used well, and due to varying practices, it is often wasted.

A growing body of research points to substantial opportunities to improve quality while reducing the costs of care. Some researchers estimate that as much as 30 percent of health care is not contributing materially to patient outcomes.<sup>21</sup> Health care systems in many parts of the country deliver high quality care to the populations they serve at half of the costs of other equally renowned academic medical centers in other parts of the country.<sup>22</sup> The key is to provide information, incentives, and support to help physicians and others work together to improve quality while reducing costs.

Barack Obama believes we must dramatically redesign our health system to reduce inefficiency and waste and improve health care quality, which will drive down costs for families and individuals. The Obama plan will improve efficiency and lower costs in the health care system by: (1) offering federal reinsurance to employers to help ensure that unexpected or catastrophic illnesses do not make health insurance unaffordable or out of reach for businesses and their employees (2) ensuring that patients receive and providers deliver the best possible care; (3) adopting state-of-the-art health information technology systems; and (4) reforming our market structure to increase competition.

**(1) REDUCING COSTS OF CATASTROPHIC ILLNESSES FOR EMPLOYERS AND THEIR EMPLOYEES.** Catastrophic health expenditures account for a high percentage of medical expenses for private insurers.<sup>23</sup> In fact, the most recent data available reveals that the top five percent of people with the greatest health care expenses in the U.S. spent 49 percent of the overall health care dollar.<sup>24</sup> For small businesses, having a single employee with catastrophic expenditures can make insurance unaffordable to all of the workers in the firm. The Obama plan would reimburse employer health plans for a portion of the catastrophic costs they incur above a threshold if they guarantee such savings are used to reduce the cost of workers' premiums. Offsetting some of the catastrophic costs would make health care more affordable for employers, workers and their families.

**(2) LOWERING COSTS BY ENSURING PATIENTS RECEIVE AND PROVIDERS DELIVER QUALITY CARE.** Experts agree that several steps should be taken immediately to help patients get the care they need and to help providers improve medical practice. Obama will expand and support these and other efforts to lower costs and improve health outcomes.

### HELPING PATIENTS

- **Support disease management programs.** Over seventy-five percent of total health care dollars are spent on patients with one or more chronic conditions, such as diabetes, heart disease, and high blood pressure.<sup>25</sup> Many patients with chronic diseases benefit greatly from disease management programs, which help patients manage their condition and get the care they need.<sup>26</sup> Obama will require that plans that participate in the new public plan, Medicare or the Federal Employee Health Benefits Program (FEHBP) utilize proven disease management programs. This will improve quality of care and lower costs, as well.

- **Coordinate and integrate care.** Rates of chronic diseases have skyrocketed in the last 2 decades.<sup>27</sup> Over 133 million Americans have at least one chronic disease.<sup>28</sup> With proper care, the onset and progression of these diseases can be contained for many years. In addition to the needless suffering and early death they cause, these chronic conditions cost a staggering \$1.7 trillion yearly.<sup>29</sup> More than half of Americans with serious chronic conditions have 3 or more different physicians,<sup>30</sup> leading to duplicate testing, conflicting treatment advice and prescription drugs that are contraindicated. Obama will support providers to put in place care management programs and encourage team care through implementation of medical home type models, that will improve coordination and integration of care of those with chronic conditions.
- **Require full transparency about quality and costs.** Health care quality and costs can vary tremendously among hospitals and providers; however, patients have limited access to this information.<sup>31</sup> Obama will require hospitals and providers to collect and publicly report measures of health care costs and quality, including data on preventable medical errors, nurse staffing ratios, hospital-acquired infections, and disparities in care, and costs. Health plans will be required to disclose the percentage of premiums that actually goes to paying for patient care as opposed to administrative costs.

#### **ENSURING PROVIDERS DELIVER QUALITY CARE**

- **Promoting patient safety.** Obama will require providers to report preventable medical errors, and support hospital and physician practice improvement to prevent future occurrences.
- **Aligning incentives for excellence.** Both public and private insurers tend to pay providers based on the volume of services provided, rather than the quality or effectiveness of care.<sup>32</sup> Obama will accelerate efforts to develop and disseminate best practices, and align reimbursement with provision of high quality health care. Providers who see patients enrolled in the new public plan, the National Health Insurance Exchange, Medicare and FEHB will be rewarded for achieving performance thresholds on physician-validated outcome measures.
- **Comparative effectiveness reviews and research.** The U.S. provides some of the best health care and most sophisticated medical technologies in the world, but at a cost that is making the effort to expand access to care ever more difficult. In order to be able to provide health care coverage for all, we need to deliver the same quality of care at much lower cost. This is possible because there is considerable waste in our health care system and, at the same time, we are failing to provide highly effective services to patients who should have them. One of the keys to eliminating waste and missed opportunities is to increase our investment in comparative effectiveness reviews and research. Comparative effectiveness studies provide crucial information about which drugs, devices and procedures are the best diagnostic and treatment options for individual patients. This information is developed by reviewing existing literature, analyzing electronic health care data, and conducting simple, real world studies of new technologies. Obama will establish an independent institute to guide reviews and research on comparative effectiveness, so that Americans and their doctors will have accurate and objective information to make the best decisions for their health and well-being.
- **Tackling disparities in health care.** Although all Americans are affected by problems with our health care delivery system, an overwhelming body of evidence demonstrates that certain populations are significantly more likely to receive lower quality health care than others. Minority Americans are less likely to receive early and timely health care for many conditions such as cancer, when such conditions could be treatable.<sup>33</sup> Further, minority patients are less likely to receive recommended care that meets accepted standards of medical practice, which similarly has a negative impact on health outcomes.<sup>34</sup> Other patient populations, including female<sup>35</sup> and rural<sup>36</sup> populations, experience disparities in health

care as well. Obama will tackle the root causes of health disparities by addressing differences in access to health coverage and promoting prevention and public health (see below), both of which play a major role in addressing disparities. He will also challenge the medical system to eliminate inequities in health care by requiring hospitals and health plans to collect, analyze and report health care quality for disparity populations and holding them accountable for any differences found; diversifying the workforce to ensure culturally effective care; implementing and funding evidence-based interventions, such as patient navigator programs; and supporting and expanding the capacity of safety-net institutions, which provide a disproportionate amount of care for underserved populations with inadequate funding and technical resources.

- **Reforming medical malpractice while preserving patient rights.** Increasing medical malpractice insurance rates are making it harder for doctors to practice medicine<sup>37</sup> and raising the costs of health care for everyone<sup>38</sup>. Barack Obama will strengthen antitrust laws to prevent insurers from overcharging physicians for their malpractice insurance. Obama will also promote new models for addressing physician errors that improve patient safety, strengthen the doctor-patient relationship, and reduce the need for malpractice suits.

**(3) LOWERING COSTS THROUGH INVESTMENT IN ELECTRONIC HEALTH INFORMATION TECHNOLOGY SYSTEMS.** Most medical records are still stored on paper, which makes them difficult to use to coordinate care, measure quality, or reduce medical errors. Processing paper claims also costs twice as much as processing electronic claims.<sup>39</sup> Obama will invest \$10 billion a year over the next five years to move the U.S. health care system to broad adoption of standards-based electronic health information systems, including electronic health records. He will also phase in requirements for full implementation of health IT and commit the necessary federal resources to make it happen. Obama will ensure that these systems are developed in coordination with providers and frontline workers, including those in rural and underserved areas. Obama will ensure that patients' privacy is protected. A study by the Rand Corporation found that if most hospitals and doctors offices adopted electronic health records, up to \$77 billion of savings would be realized each year through improvements such as reduced hospital stays, avoidance of duplicative and unnecessary testing, more appropriate drug utilization, and other efficiencies.<sup>40</sup>

**(4) LOWERING COSTS BY INCREASING COMPETITION IN THE INSURANCE AND DRUG MARKETS.** It is not right that Americans families are paying skyrocketing premiums while drug and insurance industries are enjoying record profits. These companies benefit most from the status quo, and in many cases are the greatest obstacles to reform. The Obama plan will tackle needless waste and spiraling costs by increasing competition in the insurance and drug markets.

- **Increasing competition.** The insurance business today is dominated by a small group of large companies that has been gobbling up their rivals. In recent years, for-profit companies have bought up not-for-profit insurers around the country. Other not-for-profits found business so lucrative, they converted to for-profit companies. There have been over 400 health care mergers in the last 10 years, and just two companies dominate a full third of the national market.<sup>41</sup> The American Medical Association reports that 95% of insurance markets in the United States are highly concentrated<sup>42</sup> and the number of insurers has fallen by just under 20% since 2000.<sup>43</sup>

These changes were supposed to make the industry more efficient, but instead premiums have skyrocketed, increasing over 87 percent over the past six years.<sup>44</sup> Over the same time period, insurance administrative overhead has been the fastest-growing component of health spending. The 2007 Commonwealth Fund Commission on a High Performance Health System reported that between 2000 and 2005, administrative overhead – including both administrative expenses and insurance industry profits – increased 12.0 percent per year, 3.4 percentage points faster than the average health expenditure growth of 8.6 percent.<sup>45</sup>

And while health care costs continue to rise for families, CEOs of these insurance companies have received multi-million dollar bonuses.<sup>46</sup> Barack Obama will prevent companies from abusing their monopoly power through unjustified price increases. In markets where the insurance business is not competitive, his plan will force insurers to pay out a reasonable share of their premiums for patient care instead of keeping exorbitant amounts for profits and administration. Obama's new National Health Insurance Exchange will help increase competition by insurers.

- **Drug reimportation.** The second-fastest growing type of health expenses is prescription drugs.<sup>47</sup> Pharmaceutical companies should profit when their research and development results in a groundbreaking new drug. But some companies are exploiting Americans by dramatically overcharging U.S. consumers. These companies are selling the exact same drugs in Europe and Canada but charging Americans a 67 percent premium.<sup>48</sup> Obama will allow Americans to buy their medicines from other developed countries if the drugs are safe and prices are lower outside the U.S.

**Increasing use of generics.** Some drug manufacturers are explicitly paying generic drug makers not to enter the market so they can preserve their monopolies and keep charging Americans exorbitant prices for brand name products.<sup>49</sup> The Obama plan will work to ensure that market power does not lead to higher prices for consumers. His plan will work to increase use of generic drugs in the new public plan, Medicare, Medicaid, FEHBP and prohibit large drug companies from keeping generics out of markets.

**Lowering Medicare prescription drug benefit costs.** The 2003 Medicare Prescription Drug Improvement and Modernization Act bans the government from negotiating down the prices of prescription drugs, even though the Department of Veterans Affairs' negotiation of prescription drug prices with pharmaceutical companies has garnered significant savings for taxpayers.<sup>50</sup> Obama will repeal the ban on direct negotiation with drug companies and use the resulting savings, which could be as high as \$30 billion,<sup>51</sup> to further invest in improving health care coverage and quality.

- **Preventing waste and abuse in Medicare.** Medicare's private plan alternative, called Medicare Advantage, was established to increase competition and reduce costs. But independent reports show that on average the government pays *12 percent more* than it costs to treat comparable beneficiaries through traditional Medicare.<sup>52</sup> These excessive subsidies cost the government billions of dollars every year and create an incentive structure that has led to fraudulent abuses of seniors. Obama believes we need to eliminate the excessive subsidies to Medicare Advantage plans and pay them the same amount it would cost to treat the same patients under regular Medicare.



## PROMOTING PREVENTION & STRENGTHENING PUBLIC HEALTH

Covering the uninsured and modernizing America's health care system are urgent priorities, but they are not enough. Simply put, in the absence of a radical shift towards prevention and public health, we will not be successful in containing medical costs or improving the health of the American people.

This nation is facing a true epidemic of chronic disease. An increasing number of Americans are suffering and dying needlessly from diseases such as obesity, diabetes, heart disease, asthma and HIV/AIDS, all of which can be delayed in onset if not prevented entirely. One in 3 Americans—133 million—have a chronic condition, and children are increasingly being affected.<sup>53</sup> The Centers for Disease Control and Prevention has reported that 1 in 3 children born in 2000 will develop diabetes in their lifetime.<sup>54</sup> Five chronic diseases—heart disease, cancer, stroke, chronic obstructive pulmonary disease, and diabetes—cause over two-thirds of all deaths each year.<sup>55</sup>

In addition to the tremendous human cost, chronic diseases exact a tremendous financial toll on our health care resources. Care for patients with diabetes costs \$130 billion each year alone, and this amount is growing.<sup>56</sup> Tackling chronic diseases is also straining our public health departments and finances, which are already stretched too thin carrying out traditional public health functions, which include ensuring our water is safe to drink, the air is safe to breathe, and our food is safe to eat. And these traditional public health functions have evolved to include disaster preparedness and response for both natural and man-made disasters.

Barack Obama believes that protecting and promoting health and wellness in this nation is a shared responsibility among individuals and families, school systems, employers, the medical and public health workforce, and federal and state and local governments. Each must do their part, as well as collaborate with one another, to create the conditions and opportunities that will allow and encourage Americans to adopt healthy lifestyles.

**(1) EMPLOYERS.** Reduced workforce productivity from illness and disability represents an additional drain on business. To address employee health, an increasing number of employers are offering worksite health promotion programs, onsite clinical preventive services such as flu vaccinations, nutritious foods in their cafeterias and vending machines, and exercise facilities. Equally important, many employers choose insurance plans that cover preventive services for their employees. Barack Obama believes that worksite interventions hold tremendous potential to influence health and will expand and reward these efforts.

**(2) SCHOOL SYSTEMS.** A generation ago, nearly half of all school-aged children walked or biked to school.<sup>57</sup> Today, nearly 9 out of 10 children are driven to school.<sup>58</sup> And once there, children are not very physically active—only 8 percent of elementary schools require daily physical education.<sup>59</sup> Childhood obesity is nearly epidemic,<sup>60</sup> particularly among minority populations,<sup>61</sup> and school systems can play an important role in tackling this issue. For example, only about a quarter of schools adhere to nutritional standards for fat content in school lunches.<sup>62</sup> Obama will work with schools to create more healthful environments for children, including assistance with contract policy development for local vendors, grant support for school-based health screening programs and clinical services, increased financial support for physical education, and educational programs for students.

**(3) WORKFORCE.** Primary care providers and public health practitioners have and will continue to lead efforts to protect and promote the nation's health. Yet, the numbers of both are dwindling,<sup>63</sup> and the existing workforce is further challenged by inadequate training about new health threats such as bioterrorism and avian flu, antiquated funding and reimbursement mechanisms, and limited access to real-time information and

technical support. Barack Obama will expand funding—including loan repayment, adequate reimbursement, grants for training curricula, and infrastructure support to improve working conditions—to ensure a strong workforce that will champion prevention and public health activities.

**(4) INDIVIDUALS AND FAMILIES.** The way Americans live, eat, work and play have real implications for their health and wellness. Reports show that over half of U.S. adults do not engage in physical activity at levels consistent with public health recommendations.<sup>64</sup> And the Surgeon General’s report has shown that smoking kills an estimated 440,000 Americans each year and costs \$75 billion in direct medical costs.<sup>65</sup> Preventive care only works if Americans take personal responsibility for their health and make the right decisions in their own lives – if they eat the right foods, stay active, and stop smoking.

Individuals and families must have access to essential clinical preventive services such as cancer screenings and smoking cessation programs, and the Obama health plan will require coverage of such services in all federally supported health plans, including Medicare, Medicaid, SCHIP and the new public plan. Americans also benefit from healthy environments that allow them to pursue healthy choices and behaviors that can help ward off chronic and preventable diseases. Healthy environments include sidewalks, biking paths and walking trails; local grocery stores with fruits and vegetables, restricted advertising for tobacco and alcohol to children; and wellness and educational campaigns. In addition, Obama will increase funding to expand community based preventive interventions to help Americans make better choices to improve their health.

**(5) FEDERAL, STATE, AND LOCAL GOVERNMENTS.** The federal government and state and local governments play critical roles across the full range of disease prevention and health promotion activities. First, working together, governments at all levels should lead the effort to develop a national and regional strategy for public health, and align funding mechanisms to support its implementation. Second, the field of public health would benefit from greater research to optimize organization of the 3,000 health departments in this nation,<sup>66</sup> collaborative arrangements between levels of government and its private partners, performance and accountability indicators, integrated and interoperable communication networks, and disaster preparedness and response. Third, the government must invest in workforce recruitment as well as modernizing our physical structures, particularly our public health laboratories. And finally, the government must examine its own policies, including agricultural, educational, environmental and health policies, to assess and improve their effect on public health in this nation. As president, Barack Obama will prioritize all of these activities, to ensure a 21<sup>st</sup> century public health system and healthy America.

Paid for by Obama for America

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