



623 SW 10th Avenue
Topeka KS 66612-1627
785.235.2383
800.332.0156
fax 785.235.5114

www.KMSonline.org

Principles of Health Care Reform

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Preamble

The following *Principles* are intended to be broad guidelines, designed to assist KMS as it works with others to achieve appropriate health care system reform. The Kansas Medical Society believes all Kansans should have health insurance. While health insurance coverage for every person is the ideal, mandating universal coverage by law is neither desirable nor likely in this country given the political and cultural dynamics which exist. Although the problems in the system are many, experience has shown that a key factor contributing to higher costs and thus, more uninsured, is the prevalence of insurance policies which insulate individuals from the financial consequences of their health care purchasing decisions. This disconnect has a profoundly inflationary impact on the cost and use of health care services. Efforts to address the problems of the uninsured and high health care costs should focus on strategies which make health insurance a more affordable and effective tool for appropriate purchasing of health care services as well as strengthening existing public programs and creating innovative public/private efforts to cover the indigent, chronically ill and others who are difficult to cover through conventional insurance products. While not specifically a part of health system reform, issues related to the future health care workforce, particularly the importance and viability of primary care, should be addressed.

The Kansas Medical Society believes that quality patient care should always remain the focus and hallmark of our system. Reform efforts should build on the strengths of the current system, which promote quality, provide patient choice, and encourage technological advances, pharmaceutical research and delivery model innovation.

Health Care Reform Principles

1. A pluralistic, competitive delivery system, with choice of physician, facility and health plan should be encouraged, not only in private health plans, but to the extent practical, in publicly financed health care programs as well. The system should harness the power of choice, individual responsibility and market forces as a superior approach to a government controlled system.
2. Public policies should encourage the development of affordable, portable health insurance products, including those which emphasize greater consumer financial responsibility for their health care purchasing decisions, such as through the use of percentage-based coinsurance and Health Savings Accounts combined with higher deductible insurance policies. Where appropriate, Medicare, Medicaid and other government health programs should incorporate this model, recognizing that some populations because of their age, economic or health status may not be good candidates for such policies.
3. Publicly financed health programs that cover the indigent, aged, disabled and other at-risk populations should be adequately funded to encourage broad provider participation, improve access to care, and reduce the inflationary impact of cost-shifting. Opportunities for collaboration between government and private insurers should be explored as a way to provide health insurance to populations which are difficult to insure through conventional markets.
4. Duplication and excess capacity should be discouraged without creating barriers to the development of innovative technology, services and facilities which may improve quality and reduce costs.
5. Administrative simplification and standardization should be implemented wherever possible to eliminate complexity and reduce costs.

6. Government control of health care prices, resources, and services should be avoided because it ultimately results in market distortion and price inflation.

7. Education of the public is essential for health care reform to be successful. Reliable and meaningful information regarding cost, quality, and the appropriate use of health care resources should be made available. Public educational efforts should also emphasize personal responsibility, the value of good nutrition, preventive health care and healthy lifestyles.