

# McCain Opposes Mandating Insurance Coverage

## Editors' Note

This look at the health care proposals of Sen. John McCain (R-Ariz.) is the first in an occasional series highlighting the health policy views of those seeking to be our next president. Each article is based on a 1-hour health policy forum with an individual candidate held at the Kaiser Family Foundation in Washington, and sponsored by Families USA and the Federation of American Hospitals.

BY JOYCE FRIEDEN

Senior Editor

For Sen. John McCain (R-Ariz.), having health insurance is desirable but not mandatory.

"I don't think there should be a mandate for every American to have health insurance," the Republican presidential hopeful said at a forum on health care policy sponsored by Families USA and the Federation of American Hospitals.

"I think one of our goals should be that every American own their own home, but I'm not going to mandate that. ... I feel the same way about health care. If it's affordable and available, then it seems to me it's a matter of choice amongst Americans," he said.

As Sen. McCain sees it, health insurance is something many people decide they don't want. "The 47 million Americans that are without health insurance today, a very large portion of them are healthy young Americans who simply choose not to" sign up for it, he said at the forum, which was underwritten by the California Endowment and the Ewing Marion Kauffman Foundation.

He added, however, that some people with chronic illnesses and other preexisting conditions do have problems accessing insurance, "and we have to make special provisions for them, including additional trust funds for Medicaid payments [for people] who need this kind of coverage."

Instead of mandating that people have

health insurance, Sen. McCain, who is serving his fourth term in Congress, said his priority as president would be to rein in health care costs. "I'm not going to force Americans to do it; I don't think that's the role of government," he said.

"But if we can bring down costs, as I believe we can ... I'm absolutely convinced more and more people will take advantage of [health insurance]. The panacea isn't all just health care costs, but unless you address health care costs, you're never going to solve the other aspects of the health care crisis."

One way to control costs at the federal level is to not pay for medical errors involving Medicare patients, Sen. McCain said in an interview after the forum. "Right now we pay for every single procedure—the MRI, the CT scan, the transfusion, whatever it is. [Instead], we should be paying the provider and the doctor a certain set amount of money directly related to overall care and results."

"That way we remove the incentives now in place for overmedicating, overtaking, and overindulging in unnecessary procedures. I also think it rewards good performance by the providers."

To expand access to health insurance, Sen. McCain is proposing a refundable tax credit of \$2,500 per individual and \$5,000 per family to help the uninsured buy health insurance policies.

To pay for the tax credits—which would cost the government an estimated \$3.5 trillion over 10 years—he proposes abolishing the tax deduction that employees currently take when they pay premiums on their employer-sponsored health plans. He would, however, leave intact the deduction that employers currently take on their portion of the premiums as an incentive for employers to continue offering coverage.

"The important thing about the ... refundable tax credit for employees is for them to go out and make choices," Sen. McCain said during the forum.

"When it's their money and their decision, I think they make much wiser deci-

sions than when it's provided by somebody else." And because the tax credit is refundable, low-income Americans who currently pay no taxes will receive a check for the amount of the credit, he noted.

When a reporter pointed out that the average cost of a family health insurance policy is more than \$12,000 per year—far higher than the amount of the proposed family tax credit—Sen. McCain said the credit still would be beneficial.

"One thing it does is if someone has a gold-plated health insurance policy, they'll start to pay taxes [on those premiums] and it may make them make different decisions about the extent and coverage of their health insurance plan," he said.

"Another thing it does that I think is very important is that for low-income people who have no health insurance today, at least now they've got \$2,500, or \$5,000 in the case of a family, to go out and at least start beginning to have [it]."

Sen. McCain admitted that the tax credit plan "is not a perfect solution, and if not for the price tag involved, I'd make it even higher."

"But according to the Congressional Budget Office, by shifting the employee tax aspect of it, you save \$3.5 trillion over a 10-year period, and I think that would have some beneficial effect at reducing the overall health care cost burden that we're laying on future generations."

The senator said he did not have an estimate of how many uninsured people would be able to buy health insurance coverage because of the tax credit.

Sen. McCain said he does not support outlawing the "cherry-picking" that some health plans do to make certain they insure mostly healthy people. Outlawing cherry-picking "would be mandating what the free enterprise system

does and that would be obviously something that I would not approve of."

Instead, he favored broadening the high-risk pools that states use to provide coverage for some of their uninsured residents.

"I would rather go that route than mandate that health insurance companies under any condition would have to accept a certain level of patients. ... One reason is that we have seen in the past that [insurance companies] have a great ability to game the system."

Sen. McCain also said he hoped the tax credit plan would encourage more people to open health savings accounts (HSAs).

"I think they are a good idea," he said. But he does not think that health savings accounts have received as much attention as they should get.

"Rightly or wrongly, HSAs are viewed by most Americans as something for rich people. But if you can only use that refundable tax credit for purchasing health insurance or HSAs, I think you may see a stimulus in that; at least, I believe that's a strong possibility."

On another front, the senator said in an interview that he favors reforms to the malpractice system.

"I would like to see that any medical provider or doctor who stayed within medical guidelines would then not be sued. Right now, it's a lottery for trial lawyers."

He is in favor of damage caps, "but more importantly, I've opposed punitive damages. ... Punitive damages are something that I have not supported in anything."

Sen. McCain also noted that although he is against abortion, "after a lot of agonizing thought and consultation, I believe in stem cell research. I think stem cell research holds great promise in addressing some of these terrible afflictions that face our nation and the world, such as Alzheimer's and Parkinson's." ■

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**A large portion of the 47 million Americans who are without health insurance choose not to sign up.**

SEN. MCCAIN

## F Y I

### Mental Health Stigma Web Site

The online resource center to address discrimination and stigma associated with mental illness has been revamped and includes a new library of more than 600 sources. The site is designed to help individuals and organizations counter discrimination and stigma. It is located online at [www.stopstigma.samhsa.gov](http://www.stopstigma.samhsa.gov).

### Funds for Youth Programs

The Substance Abuse and Mental Health Services Administration's Center for Mental Health Services is accepting applications for agreements to fund home- and community-based services for emotionally disturbed children and their families. SAMHSA expects \$19 million to fund up to 19 agreements in 2008. For more information, contact SAMHSA by calling 877-726-4727.

### Text Message Reminders

The Smile Reminder service reduces no-shows by reminding patients of appointments via a text message to a cell phone or e-mail account. The service also notifies patients to schedule follow-up appointments and allows doctors to send e-newsletters. Unlimited service and support are provided for a flat monthly fee. For more information, visit [www.smilereminder.com](http://www.smilereminder.com).

### Medicaid and Mental Health Report

A new report provides a state-by-state analysis of how Medicaid agencies are exercising their responsibilities for mental health services. The report includes the results of telephone interviews conducted in 50 states and the District of Columbia in 2005-2006. It is available at <http://mentalhealth.samhsa.gov/publications/allpubs/SMA07-4301>.

### Consumer-Run Mental Health Centers

The Substance Abuse and Mental Health Services Administration has awarded grants totaling \$5.4 million to five consumer and consumer-supporter technical assistance cen-

ters. These centers will teach consumers how to lead consumer-run mental health service groups. For more information, visit SAMHSA at [www.samhsa.gov/newsroom/advisories/071015mh2809.aspx](http://www.samhsa.gov/newsroom/advisories/071015mh2809.aspx).

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