

Personal Option Policy Agenda



How does a Personal Option deliver better health care?

1. Removes barriers between patients and the medical professionals they trust.
2. Empowers patients to shop for value as true consumers.
3. Expands coverage options that make health care less of a hassle.

Health reforms that expand government control, such as “Medicare for All” or a “Public Option,” cannot give Americans what they need and deserve: affordability, dependability, and consumer choice. Instead, policymakers should get behind a Personal Option that expands choice, reduces costs, and gives Americans control over their care.

▼ Give all Americans access to a Health Savings Account (HSA)

Health savings accounts (HSA) are tax-advantaged savings accounts for medical expenses, similar to a 401(k). The money invested in an HSA isn’t taxed so long as it is used for a qualified medical expense. This tax advantage essentially gives HSA holders up to a 37% discount (depending on the holder’s tax bracket) on each out-of-pocket health care purchase.

However, HSAs are only available to people with a federally defined high-deductible health insurance plan — just 10% of Americans. **Congress should change the law so that every American who wants an HSA can have access to one.**

▼ Promote patient and doctor relationships through Direct Primary Care

There is an exciting new type of medical relationship between doctors and patients called Direct Primary Care. DPC is the epitome of personalized health care because in a DPC arrangement, there is no health insurance company involved. Instead, patients pay a flat membership fee to a doctor in exchange for primary care services, preventive services, and drug discounts. It's like a Netflix subscription to your favorite doctor.

The IRS does not categorize Direct Primary Care fees as a tax-deductible medical expense, and the agency puts onerous limitations on DPC access for certain Americans. **Congress should override the IRS when implementing health care reform, so that all Americans can choose to join a DPC and deduct health care costs on their tax returns.**

▼ Expand employer-funded health care reimbursement options

Health Reimbursement Arrangements (HRAs) are employer-funded plans that reimburse workers for their medical expenses. A recent federal regulation allows workers to use funds from their HRA to pay for private, portable health insurance that they can take with them job-to-job. **Congress needs to:**

- **Shift this regulation into a law so this benefit can't be taken away.**
- **Allow HRAs to be used to buy short-term renewable health insurance plans, which usually cost far less than traditional plans.**

Association Health Plans let individuals and businesses band together to buy affordable health insurance coverage at lower group rates. Employers save money, and workers get better health insurance for lower premiums than they would on the Obamacare exchanges. However, the Labor Department regulation that allowed AHPs was blocked by a federal judge. **Congress needs to pass a bill to legalize Association Health Plans.**

Short-term health insurance can be an affordable solution for those looking for health coverage during transitional periods in their lives. These plans are often 50-80% less expensive than more comprehensive plans, making them ideal for people who don't want to pay for coverage they don't need. In many states, these plans are banned or restricted. **Congress should act to ensure Americans are allowed access to short-term health insurance options.**

▼ Reduce drug prices without government price-fixing

Certain brand name prescription drugs cost too much, but we need to make sure we lower their prices in the right way. Government price-fixing won't work. Economists say it would reduce the number of new drugs, increase costly hospital stays, and have disastrous health impacts. Instead, we should:

- **Promote competition by bringing more generic drugs to market.**
- **Allow for the sale of drugs already approved by advanced countries we trust.**
- **Reduce seniors' prescription costs by capping out-of-pocket drug prices and closing coverage gaps.**

▼ Streamline federal drug approvals without sacrificing safety

A more effective FDA would get more life-saving drugs and therapies to people faster — without sacrificing safety. That's particularly important when you consider it takes 10 years and \$3 billion to bring a new drug to market. Many of these new drugs are approved years earlier in other countries, to the detriment of American patients. This causes needless suffering and death. FDA reform means:

- **The FDA should clear for sale drugs and devices** that have already been approved by advanced countries we trust, such as Germany, England, and Japan.
- **We should lift the FDA gag rule that prohibits the sharing of valid scientific information with doctors** about possible uses for drugs outside the limits of that drug's labeling — even when the information could be life-saving.
- **We should learn from FDA's incredible success in speedily approving COVID-19 vaccines in 2020** and make its streamlined "Operation Warp Speed" approach the rule for all drugs rather than the exception. This will reduce costs and save lives.

▼ Increase access to telehealth services

Telehealth allows patients to report symptoms or visit with a doctor virtually, over a computer or smartphone, instead of having to be in-person. The pandemic dramatically revealed the need for telehealth services, particularly for those living in underserved rural and urban communities.

Studies show that the use of telehealth reduces infection and hospitalization rates and saves money: a true win-win. But telehealth access is often restricted by insurance company rules and government red tape. **It's time to lift outdated telehealth restrictions and spur a digital health revolution that saves lives and money.**

▼ Repeal certificate-of-need laws, empower health facilities to compete

State and local "certificate of need" or CON laws are well-named: they're the biggest "con" in American health care. These unnecessary, harmful laws require hospital systems and other health facilities to get approval from a government agency before they can open or expand their facilities in a given area. Often, just adding a single new bed or MRI machine requires government approval, a process that can add years and thousands of dollars in costs.

In truth, CON laws are never needed and would be viewed as unacceptable in any other market. These laws often give entrenched existing facilities veto power over competitors that might want to come into their area. This restricts patients' options and keeps costs high. Sadly, more than half the states currently have a CON law on the books. **All Certificate of Need laws should be repealed to boost competition and reduce costs for patients.**

▼ Liberate physician assistants and nurses to fully practice their training

Nearly 80 million Americans do not have sufficient access to a health care provider. That is because many states won't allow non-physician providers, such as advanced practice registered nurses and physician assistants, to practice to the full scope of their training; they must work under the supervision of a physician. **To increase access to medical care in underserved areas and to reduce costs, states should allow nurse practitioners to independently practice to the full extent of their education and training.**

State licensure laws impede the ability of doctors and nurses to care for patients across state lines, including via telehealth. We saw during the pandemic how these laws hindered doctors and nurses from going where they were needed. Removing excessive licensing barriers would greatly improve choice, competition, and quality care options. **States should enact reforms to automatically recognize out-of-state health professional licenses. Congress should ensure doctors and nurses are paid for care lawfully delivered across state lines.**

▼ Promote price transparency and certainty for health care services

In nearly every business, the consumer can see the price up front. Health care, unfortunately, does not operate this way. Prices are often hidden, and costs, even for a routine procedure, can vary wildly without any apparent justification. Unable to shop for value, patients get hit with excessive bills and surprise charges.

The truth is that health care costs will not come down until we have real price transparency. **It’s time to put consumers in the driver’s seat, for example, by empowering patients to shop for value using tools like tax-free Health Savings Accounts and Direct Primary Care arrangements.** Doing this will incentivize doctors and hospitals to publish, and compete on, their cash-pay prices. And that will mean lower costs and higher quality for all of us.

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