INNOVATION: THE KEY TO PROGRESS IN HEALTH

Every American deserves the opportunity to live a healthy life. The Affordable Care Act (ACA) created enormous progress by expanding health care to millions of Americans. The next president must build on the ACA’s success, while continuing to reduce costs, expand access, and improve the quality of care. Families and businesses cannot afford to pay ever-escalating costs for health care that is oriented too much towards sickness and too little towards prevention. And gaps in quality, access, research support, and fairness continue to deny many Americans the care they deserve.

As a nation, we must come together to use our ingenuity and creative spirit to support the comprehensive health of our people. In 2014 health rankings, Maryland made more progress improving health than any other state. And in the latest issue of the New England Journal of Medicine, federal and state officials reported cost savings and quality improvements from Maryland’s unique and bold approach to hospital payment. As President, Governor O’Malley will expand these successful models to improve health care outcomes and close coverage gaps, while driving innovation in health across new technologies, new therapies, new sources of data, and new community health initiatives. Through these efforts, all Americans will be able to look forward to a healthier future for us, our families, our communities, and our nation.

INNOVATIONS THAT MAKE HEALTH CARE AFFORDABLE

GOAL: SLOW THE GROWTH IN HEALTH CARE EXPENDITURES RELATIVE TO THE REST OF THE ECONOMY BY 2020

While the Affordable Care Act has helped slow the growth of skyrocketing health care costs, the pace of annual cost increases remains unsustainable. Health care expenditures have increased from just 4.4 percent of GDP in 1950 to more than 17 percent in 2013, with health care costs growing at a far faster rate than the economy as a whole. As a result, workers have seen their wages stagnate—additional earnings are quickly eaten up by the rapid growth in health care costs—while as a nation, we are left with less and less room to invest in infrastructure, education, and other priorities.

At the same time costs are increasing, our health care system does not do enough to prevent illness in the first place. Americans experience far more preventable hospitalizations than citizens in other advanced countries. In addition, too many Americans have experienced the frustration of dealing with confusing bills, duplicative tests, or poor or uncoordinated treatment.
**Innovation in Paying for Health Care**

We get the health care system we pay for, and for far too long the way we have paid for health care has incentivized the provision of more care—not better care. By putting Medicare on a path toward paying providers for the value—not the volume—of the care they provide, the Affordable Care Act has begun an essential transformation in the way health care is financed in the United States. But we need to do more, and do it more quickly, in order to reach a tipping point in making better payment models, with better incentives, the norm.

As President, Governor O’Malley will:

- **Encourage States to Adopt Comprehensive Payment Reform.** With support from the Centers for Medicare and Medicaid Services, under O’Malley Maryland adopted “without any question the boldest proposal in the United States in the last half century to grab the problem of cost growth by the horns.” The Maryland model switches away from expensive fee-for-service reimbursement for hospitals, providing a path to both improved health and lower costs. In the first year alone, the model has saved Medicare $116 million against national trends, with a 26.3 percent reduction in potentially preventable complications.

  As president, O’Malley will create an option for states to adopt hospital global budgeting, the key to Maryland’s success. Global budgeting may be especially useful to support financially stressed rural hospitals. O’Malley will also give states the option to pursue models besides the Maryland approach, such as encouraging patient-centered medical homes (more below), accountable care organizations, and other innovations.

- **Improve the Value of Medicare.** While Medicare beneficiaries are happier on average with their coverage than other health care consumers, beneficiaries still need private supplemental policies to protect them from high out-of-pocket costs. O’Malley will work to launch a new “Medicare Essential” program to provide comprehensive benefits—hospital, physician, prescription drug, and supplemental coverage—in one opt-in plan, simplifying Medicare, improving outcomes, and lowering costs. This new program would save **$180 billion over 10 years**.

- **Increase Support for Primary Care.** Primary care and supportive services are key to reducing more costly hospitalizations or visits to the emergency room. O’Malley will expand and build upon current payment models that promote widespread adoption of medical homes. These comprehensive primary care sites will feature integrated care teams, using evidence-based guidelines and involving the patient in his or her own care planning; coordination of disparate services; access to medical advice at any time in convenient formats; and linkages to non-clinical supportive services such as counseling, transportation, and benefits enrollment.

**Use Transparency and Fair Competition to Make Care More Affordable**

Health care bills are confusing, with unfair and outrageous charges hidden in the indecipherable details. Meanwhile, bigger and more integrated insurance companies, pharmaceutical companies,
and hospital networks have created efficiencies in healthcare delivery, but without passing on an adequate share of the benefits to patients through lower costs and better care.

As President, Governor O’Malley will:

- **Require Clarity in Healthcare Billing and Fairness for the Uninsured.** Hospitals’ continued use of “charge masters”—the lengthy lists of prices for every hospital service delivered and device used—imposes arbitrary and excessive costs on patients, particularly those who lack insurance and can least afford it. O’Malley will stop the use of ridiculously inflated fee schedules and in their place require clear and transparent bills. He would also work to ensure that low-income and uninsured people are not charged more than the Medicare rate for a given service.

- **Enforce Antitrust Law to Counter Dramatic Price Increases.** The transformation of the long-fragmented hospital market into high-performing, clinically-integrated networks is key to creating a more coordinated, financially sustainable health system. But hospital and health system mergers must not be allowed to have the perverse effect of raising prices by virtue of accumulation of market power. Similarly, insurance company mega-mergers that threaten to reduce customer choice and innovation must not translate into higher premiums.

  O’Malley has already promised to [reinterpret American antitrust law](https://www.maryland.gov/govoffice.asp?lnk=263) to once again foster competition and protect consumer choice. Under an O’Malley Administration, the Federal Trade Commission and Department of Justice would apply strict scrutiny—both pre-merger and post-merger—to ensure that provider and insurer consolidation does not lead to higher prices. Recognizing the central role of states in regulating insurance and provider markets, O’Malley would also establish a national task force of state Attorneys General, insurance commissioners, and health care facility planning authorities to stimulate sustained, healthy competition in health care markets.

- **Fight Against Corporate Tax Inversions.** The U.S. pharmaceutical giant Pfizer’s [recently announced merger](https://www.maryland.gov/govoffice.asp?lnk=263) with Allergan, a competitor based in Ireland, would create the world’s largest drug company—and allow Pfizer to dodge its U.S. tax bill by moving its tax address overseas. O’Malley has opposed similar mergers in the past. He will fight for legislation like the [Stop Corporate Inversions Act](https://www.maryland.gov/govoffice.asp?lnk=263) to close loopholes companies use to game the tax code and avoid paying U.S. taxes.

- **Ban Price Gouging for Prescription Drugs.** Just like we stop price gouging of gasoline during a fuel shortage, nobody should be able to jack up the price of a drug arbitrarily overnight—as happened recently in [the case of daraprim](https://www.maryland.gov/govoffice.asp?lnk=263). O’Malley will fight for legislation to ban price-gouging profiteering in prescription drugs.

- **Use The Government’s Purchasing Power to Ensure Reasonable Drug Prices.** Today, drug companies have too much market power when they hold the patent for a new drug—and sometimes even when they don’t. We should be proud that America leads the world in developing life-saving cures, but the world’s drug innovation should not be subsidized on the backs of the sickest patients in the United States. And companies should be able to make a
reasonable rate of return on their investments in critical research and design, but not price their products to extract every possible dollar from the rest of the economy. O’Malley will urge Congress to allow Medicare to negotiate for better drug prices, together with Medicaid and the VA.

Reduce Waste and Empower Patients Through Data and Technology

As many as two in five Medicare patients receive a test or treatment they don’t actually need. More effective sharing of health care data—and greater control over their data by patients—can help reduce unnecessary procedures, saving money and improving health outcomes.

As President, Governor O’Malley will:

- **Invest in Health Information Exchanges.** Maryland created a health information exchange that allows doctors to find medical records for their patients across the health care system instantaneously. O’Malley will invest to help states develop effective health information exchanges. He will also provide support for local systems that allow clinicians to share information with each other—and help patients share information with their provider—making sure that patients are receiving the care they need across the health system.

- **Give Patients More Freedom to Use Their Own Healthcare Data.** Even as medical records are transitioned from paper to electronic, too many patients have the frustrating experience of not having access to their own health data. O’Malley will help health care organizations provide key data to patient accounts.

- **Prioritize Data Security in the Transition to Electronic Medical Records.** Medical records are more valuable to hackers than credit card information, and 40 percent of health care organizations reported a cyber attack in 2013. Hospitals often lack up-to-date IT security systems and sometimes are not aware data has been compromised. O’Malley will ensure that medical record security will be a part of comprehensive federal cybersecurity protections.

**INNOVATIONS THAT EXPAND ACCESS TO QUALITY CARE**

**GOAL:** ENSURE ACCESS TO HEALTH CARE FOR ALL, INCREASING THE INSURANCE RATE TO 95 PERCENT BY 2020

For too many Americans, quality and affordable health care remains out of reach. Even as the Affordable Care Act has brought access to millions of Americans, there are others who have yet to benefit. Moreover, profound disparities based on race, ethnicity, and geography affect many health outcomes, including mortality. It is imperative to take advantage of opportunities to build on recent progress and include all people in our vision of a future healthy America.
Build on the Affordable Care Act to Extend Affordable Coverage to More Americans

The Affordable Care Act has extended health insurance to nearly 17 million Americans who otherwise would not have it. Yet 36 million people remain uninsured, and in some states the uninsured rate remains as high as 20 percent. More than half of those still uninsured say that cost is the reason they lack coverage.

As President, Governor O’Malley will:

- **Ensure Access to Affordable Healthcare for New Americans.** Immigrant communities have particularly poor access to health coverage and services. Yet keeping our workforce healthy and productive is important for the businesses that drive our economy, and providing preventive care up front will save taxpayers the expense of avoidable emergency room visits and hospital stays later on. O’Malley has already proposed giving immigrants granted deferred action, including DACA recipients, access to Medicaid and to the health insurance exchanges created by the ACA. In addition, he would eliminate waiting periods for Medicaid coverage for New Americans, and support local efforts to provide primary care coverage to undocumented families.

- **Work with States to Close the “Coverage Gap.”** To date, 20 states have failed to take advantage of the opportunity to expand Medicaid for childless adults living below or near the poverty level. Since people living in poverty are not eligible for subsidized insurance through exchanges, they find themselves in a “gap” without access to affordable coverage. O’Malley will work in good faith with each remaining state to create a roadmap for Medicaid expansion by 2018. This will include allowing states the flexibility to experiment with different ways of expanding coverage, as New Hampshire and Montana have—provided that they meet basic parameters about beneficiary rights and covered services, including access to primary care and preventive services.

- **Fix the Family Glitch** Access to subsidies for exchange-based policies depends on a person’s income and lack of access to “affordable” employer-sponsored coverage. Unfortunately, the ACA defines “affordable” based on the cost of an individual policy, not a family policy, leaving some working families without access to both affordable care and subsidies. This unanticipated “family glitch” flaw could affect an estimated two to four million dependents, including up to 500,000 children. O’Malley will work to provide the law’s intended benefits of affordable coverage to families who need coverage.

- **Treat Multi-Employer and High-Cost Plans Fairly.** O’Malley believes that workers who have bargained with their employers to secure high-quality health care should continue to have access to such care under the ACA. To protect workers’ hard-earned benefits, O’Malley will ensure that multi-employer plans are treated fairly under the law. He will direct his Administration to review the decision to exclude multi-employer plans from the exchanges, while working to find other ways to include the plans.

In addition, O’Malley supports efforts to repeal the existing excise tax on high-cost plans before it goes into effect. Any assessment on benefits must be designed so that it rewards
smarter healthcare spending, rather than punishing workers for the continued rise in healthcare costs. O’Malley will work with labor unions to develop solutions that reduce insurance costs while limiting employers’ ability to shift costs or risks to employees.

- **Address High Deductibles.** Americans who do have insurance are finding that more and more of their health care expenses are coming out of pocket. Half of the nation’s large employers are now offering “consumer-directed” high-deductible plans. O’Malley will encourage these plans to truly serve consumers by covering, with no deductible or other out-of-pocket cost, **critical services—including certain drugs—that keep people healthy and reduce overall costs.** O’Malley will also explore alternative paths to boost medical savings and assist with paying for care, even while the deductible applies.

**Support Universal Access to Reproductive Care**

Women who have access to quality reproductive health care make the best possible choices for themselves and their future. Unfortunately, about one in four women are not able to start prenatal care in the first trimester, and many do not have access to the full range of contraceptive services.

As President, Governor O’Malley will:

- **Promote Universal Access to Prenatal Care.** Prenatal care supports healthy pregnancies and healthy babies. O’Malley will adopt early access to comprehensive prenatal care as a major quality measure for health systems and states, as a percentage of all births. He will also provide funding and hold states accountable for providing quality prenatal care for those who are uninsured.

- **Promote Universal Access to Family Planning.** O’Malley will provide funding and hold states accountable for safety net systems to make sure that all women in this country can access essential reproductive health services. This will include equity in access to long-acting reversible contraception, and support for education so that women can make choices for themselves based on complete and accurate information.

**Tackle Longstanding Disparities in Health**

Americans living in our most neglected, underserved communities suffer disproportionately from poor health outcomes. The rate of premature death from cardiovascular disease among African Americans is **more than double** what it is among whites, and the infant mortality rate for African American babies is more than double the rate for white babies. Underlying these disparities in health are disparities in housing, access to education, employment opportunities, and health care.

As President, Governor O’Malley will:

- **Set a Goal of Achieving Universal Access to Primary, Behavioral, and Oral Health care—Supported by Renewed Investment in Community Health Centers.** The federal government’s investment in community health centers has been a resounding success, enabling 1,300 organizations to provide high-quality care to nearly 30 million Americans.
across rural and urban communities—and saving the health care system over $20 billion a year by managing care more effectively.

O’Malley will call for restoring funding for community health centers to pre-sequestration levels, protecting the Health Center Fund as an annual budget item, and expanding funding so that community health centers can serve an additional 10 million patients every year. O’Malley will also create a competitive grant program to pilot new models for care coordination and health promotion, ensuring that community health centers remain on the vanguard of primary care innovation.

- **Protect Babies and Young Children by Eradicating Lead Poisoning.** One in 38 American children have lead poisoning, because 24 million homes contain elevated levels of lead in paint or dust, and lead is nearly universal in schools and many childcare centers. Yet no federal agency has responsibility for lead remediation in homes and schools, and Congress all but eliminated funding for lead poisoning prevention in sequestration. O’Malley will restore funding for state programs and create an interagency task force that integrates state-level experts to find solutions that keep children safe and healthy.

- **Reduce Disease and Premature Deaths Caused by Air Pollution.** Roughly 200,000 people a year die prematurely from air pollution caused by vehicle and power plant emissions. People living in dense urban areas are especially vulnerable. O’Malley has put forward an ambitious plan to end reliance on fossil fuels and power the United States with 100 percent clean energy electricity by 2050.

- **Mobilize Communities to Address the Causes of Health Disparities.** In Maryland, the “Health Enterprise Zone” program made funds available to community coalitions, which drew up plans for a broad array of creative investments—like more primary care, crisis mental health services, school health, a transportation route, and community health worker training. O’Malley will launch a national effort to provide resources for creative investments to meet the needs of local communities.

- **Invest in the Next Generation of Our Health Care Workforce.** To address coming workforce shortages, O’Malley will expand the National Health Service Corps and Area Health Education Centers to better support access and culturally competent care in underserved areas. O’Malley will also expand opportunities for allied health professionals and other key health care workers to serve their communities. He will work with states to support opportunities for nurse practitioners and physician assistants to serve more patients. And he will develop a nationwide effort to train thousands of new community health workers to serve as health coaches and patient navigators, expanding funding for health care career track programming at community colleges.

- **Use Data to Hold Health care Providers Accountable for Progress.** It is impossible to hold people accountable for progress without measurement. O’Malley will task HHS with developing a succinct set of measures, including race and ethnicity, that can be the basis for accountability for states, health systems, and health care providers for progress in health equity.
INNOVATIONS THAT LEAD TO CURES AND HEALTHIER LIVES

GOAL: IMPROVE LIFE EXPECTANCY ACROSS ALL MAJOR DEMOGRAPHIC GROUPS BY 2024 — THROUGH MEDICAL ADVANCES, REDUCTIONS IN PREVENTABLE DISEASE, AND A RENEWED FOCUS ON BEHAVIORAL HEALTH

The purpose of innovation in health and medicine is to allow people to live longer and healthier lives. To reach this goal, the United States must make progress both in treating disease and in encouraging wellness and prevention throughout our health care system.

Invest in the Next Generation of Breakthroughs

While the Food and Drug Administration (FDA) is approving more new drugs annually than it has in decades, many promising drugs and medical devices are not able to make it through the development cycle because lack of support—not lack of evidence. In addition, funding for the National Institutes of Health (NIH) has stagnated for 10 years, threatening U.S. dominance in medical research. Because of sequestration, NIH awarded 722 fewer grants in 2013 than in 2012.

As President, Governor O’Malley will:

- **Invest in NIH and FDA Research.** O’Malley will double the NIH budget will promote the next generation of transformative products. A substantial portion of this increase will be set aside to support innovative research occurring within U.S. small drug or device companies. At the same time, O’Malley will provide greater funding to the FDA to allow the agency to foster new and more efficient ways to review new products. O’Malley will also reduce the hidden tax on biotech development that exists in the form of industry assessments for the reviews of their products.

- **Support Promising Therapies at Every Step of Development.** Too many promising therapies lose momentum between basic research and the approval process. O’Malley will make more assistance available to early phase clinical studies, and expedite approval pathways for breakthrough treatments—with close monitoring and oversight. He will also encourage academic medical centers to more nimbly study and support new innovations in medicine; and use health services research to assure that innovations are helping the patients who can benefit from them the most.

- **Release Clinical Trial Data to Advance Scientific Discovery.** Thousands of patients each year volunteer to be part of clinical research, but the results can be hidden from researchers and the public forever. O’Malley will pursue a policy of automatically releasing clinical trial data after the product is approved, and 1 year after the product is rejected (if the product has not been resubmitted). In addition, O’Malley will assure that FDA develops and releases a summary of all major agency decisions. These policies will promote transformative drug
development by reducing duplication in science and helping tomorrow’s scientific discoveries learn from today’s successes and failures.

**Focus on Prevention and Wellness Across Lifespan**

A [2014 report](#) by the Commonwealth Fund found that the United States had the highest infant mortality rate, and the lowest life expectancy at age 60, among 11 developed nations due to a lack of adequate healthcare. What’s more, recent reports have found that low-income Americans are losing years of life expectancy. We can and must do better.

As President, Governor O’Malley will:

- **Invest in Early Childhood Health.** O’Malley will provide stable, five-year funding for the Affordable Care Act’s [Maternal, Infant, and Early Childhood Home Visiting](#) program. This program provides grants to states that support nurse visits for low-income mothers, which have proven to be effective in improving the health and well-being of both mother and baby. He will also work to provide an option for home-visiting coverage under Medicaid.

- **Protect and Build on the ACA to Promote Good Health and Prevent Chronic Disease.** Chronic diseases account for [75 percent](#) of all annual health care spending, and nearly half of all Americans have some form of chronic illness. O’Malley will protect the [Prevention and Public Health Fund](#) established by the Affordable Care Act, set rigorous goals, and bring the public and private sectors together to achieve them. This was the approach taken in Maryland, where a statewide network of public-private coalitions helped the state achieve the greatest improvement in metrics in the country according to America’s Health Rankings.

- **Renew Focus on Preventing and Treating of Infectious Diseases.** O’Malley will set goals for disease prevalence, including for infectious diseases like HIV, hepatitis C, and tuberculosis. He will bring the full range of resources – from pharmacological to behavioral and public health interventions – to the task of achieving them.

- **Support Americans as They Age in their Communities.** The Older Americans Act supports home and community services including nutrition programs, in-home services, and transportation. However, the program was long underfunded and allowed to expire in 2011, leaving communities with few resources to meet the needs of the rapidly growing population of older Americans. For example, access to home-delivered meals in many cities and regions around the country is now nonexistent.

As tens of millions of Americans are beginning to “age in place” in their own homes and communities, O’Malley will work to reauthorize and fully fund the [Older Americans Act](#) — ensuring access to basic supports like subsidized transportation, household management, personal care, nutrition assistance, and help with accessing medical services, benefit programs, and other fundamentals of daily life.

- **Promote Independence and Community-Based Care.** [More than half](#) of Americans turning 65 will develop a disability serious enough to require long-term services and supports; more than a quarter will need assistance for more than 5 years. Under O’Malley’s
leadership, Maryland made use of new incentives in the Affordable Care Act to substantially expand access to home-based services to allow people to age in their own homes. O’Malley will require that the Medicare and Medicaid programs create a consistent set of incentives to encourage community-based care.

- **Honor Patients’ Wishes at the End of Life.** Fewer than half of older Americans have articulated and placed in their medical records a statement of their goals, priorities, and preferences to guide their care providers and their families in shaping their care near the end of life. O’Malley will encourage physicians to speak with their patients regarding end of life care, make templates for completing advance directives available for free, and support the implementation of patient wishes across all health care settings.

**Address America’s Mental Health and Addiction Crisis**

Drug-related fatalities have risen rapidly over the last decade—with deaths pain medications, and more recently heroin, tripling. Drug overdose deaths now exceed the number of traffic fatalities, suicides, and homicides. And while more than 61 million Americans suffer from mental illness, only 30 percent receive any care. Ten times as many people suffering from severe mental illness reside in prison as in treatment facilities. It’s time for a new approach to behavioral health.

Governor O’Malley has already put forward a comprehensive plan for treating and preventing drug addiction. As president, he will take a similar approach to mental health:

- **Invest in Strong Community Mental Health Systems.** O’Malley will endorse the idea of community-based recovery for individuals suffering from mental illness and make urgent new investments in housing, supported employment, and outpatient treatment. The investments made in Maryland in these areas helped substantially reduce the need for psychiatric hospitalization and earned the state a top 10 ranking from the Mental Health Association of America.

- **Integrate Behavioral Health and Physical Health Care.** O’Malley will draw attention and resources to ensuring that patients with severe behavioral health disorders to have their regular health care needs met. Individuals with serious mental illness die 20 to 30 years earlier than their peers, often of preventable medical diseases. New incentives through Medicare and Medicaid can help people receive medical treatment in behavioral health settings, and behavioral health care in medical settings.

- **Stopping Criminalizing Mental Illness.** As detailed in his criminal justice reform plan, O’Malley will set a national goal of reducing the number of Americans with serious mental illness behind bars—a circumstance that reflects poor systems of care, and creates worse problems for people’s families and communities when they are incarcerated. He will set expectations for state mental health care systems and use a variety of tools to assure best practices of outpatient care, diversion from jail for nonviolent offenses, and other important steps are being taken across the country.