

## Statement on Health-Care Reform and Mental-Health Issues (Aug. 4, 2013)

I am committed to pursuing health-care reforms that improve health outcomes while reducing costs. As someone whose family had experience with a mental-health issue,<sup>1</sup> I certainly appreciate the potential ill effects of leaving mental-health problems untreated (or under-treated). As the only candidate in the gubernatorial race who understands health-care economics, I am best positioned to move Virginia in the right direction.

### 1. Let Virginia take care of Virginians

Federal laws and regulations undermine competition and innovation in the health-care industry. State governments cannot undo these counter-productive policies, and in fact add their own to further undermine a well-functioning health-care market, resulting in increased costs without improved health outcomes. Moreover, political control of health care ends up siphoning money into whatever is politically popular, rather than what is most beneficial. Mental health consistently gets the short end of the stick.

I strongly advocate a return of health-care policy to the states, either directly, or through conversion of Medicaid into block grants to the states with policy freedom at the state level, or via waivers allowing Virginia to redesign our programs more intelligently.

### 2. Primary focuses of public health-care spending in Virginia

To maximize value for both taxpayers and public health-care program participants, I propose refocusing our spending on a few high-value areas:

#### a) **Catastrophic insurance/care**, rather than comprehensive insurance/care.

Insurance is supposed to protect against financially ruinous accidents or illnesses. But our public programs offer comprehensive insurance with no economy of resources, leading to overconsumption of low-value but high-priced health services. This is extremely costly to taxpayers yet does little to improve participants' health outcomes. Focusing on catastrophic insurance achieves the objective of protecting against financial ruin while leaving money available for high-value services.

#### b) **Mental health.**

Studies show that public spending on mental health has high returns in terms of patients' outcomes and the economic benefits of having people integrated into society. By focusing a greater percentage of spending on mental health, we can get the most bang for the taxpayers' buck, increasing the availability and flexibility of mental-health services for those who need it while saving money overall.

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<sup>1</sup> My father suffered depression and committed suicide in 1986.

**c) Cash subsidies.**

Converting public health-care spending to cash subsidies empowers people to match the services they receive to their individual needs as a patient. This may include more comprehensive coverage, therapy or doctor visits, pharmaceuticals, or something else entirely, and likely a mixture of different services. The result is greater flexibility for the patient, improved efficiency for taxpayers, and more innovation among service-providers.

3. Removing the stigma of mental illnesses.

Many voters with mental illnesses have lamented the social stigma that goes along with having a mental illness. But attitudes are changing, especially at the generational level. Young people are increasingly understanding of mental illnesses, including of the science behind them and the use of drugs, therapy, and other methods to treat them. As the youngest and most science-savvy of the candidates, I am best equipped to facilitate this social change in the understanding of mental-health issues and those that suffer from them.

4. Removing state-level barriers to health-care service provision.

As noted above, state governments often exacerbate the problems stemming from federal mis-regulation of health care. Virginia is no different. State-level regulations have numerous pernicious effects that reduce the availability of services, increase costs, and decrease competition and innovation. One salient example is the requirement that health-care providers obtain certificates of public need before being allowed to offer a new service or purchase new equipment. Such a centrally planned, bureaucratic approach is counter-productive and harmful to patients, small-businesses, and would-be innovators/entrepreneurs. Another example is the way we inhibit nurses from practicing independently and offering primary health-care services to the public. That decreases options and drives up costs for patients. The overregulation and mis-regulation of health-care professionals via increasingly onerous licensing requirements, restrictions on what those professionals can do, and centralized planning of the use of medical resources all work to harm patients, *especially* those suffering from mental-health issues. We must revisit our state-level laws and regulations, not just focus on federal policy and implementation of the Affordable Care Act.