

Affordable Health Care for All A New Approach

Single Payer Universal Healthcare Informed Choices

www.healthcareforallcolorado.org
www.balancedchoicehealthcare.org
www.republicansforsinglepayer.com
www.pnhp.org
www.nchc.org

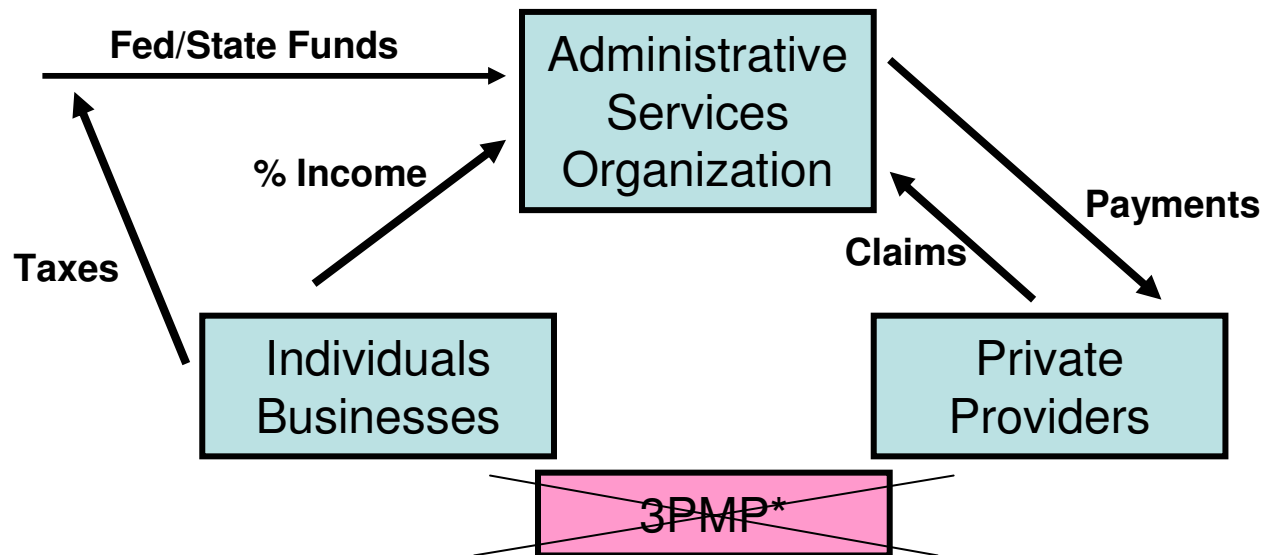
George D Swan, MPH
August 2007

Single Payer
Universal Coverage
Informed Choices
Private Practice
Quality Data Transparency
Comprehensive Benefits
Increased Efficiency
Quality Healthcare Delivery
Insurance Separate from Employment

State-wide Health Services Trust

Governing Body:
 Chair = Elected Consumer Representative
 Regional Consumer Representation
 State Medical Society
 State Nursing Association
 State Hospital Association
 Legislative Rep X 2 – Majority and Minority Rep
 Chamber of Commerce, Business Rep
 President/CEO of RHIO – Ex Officio
 Director of Public Health – Ex Officio

Regional Healthcare Information Organization (RHIO)



3PMP = 3rd Party, Multi-Payer Health Insurance

Cost/Benefit Analysis

Financial savings of the following:

- Reducing Administrative dead weight from a third to less than 5% of overall costs
- Substantially reducing the 30% of duplicate, unnecessary, and contra-indicated medical services currently being ordered by providers.
- Providing the services recommended by best practice guidelines, of which 50% are not now being provided. For the most part, these are relatively low cost services that would prevent high cost consequences of avoidable hospital admissions and diagnostic or therapeutic procedures.
- Better informed consumers and providers – Best Practice Guidelines, Alternatives.
- Washington and State bureaucrats no longer micro-manage healthcare.
- Private 3rd Party Multi-Payer (3PMP) healthcare insurers no longer micro-manage healthcare.

Cost/Benefit Analysis

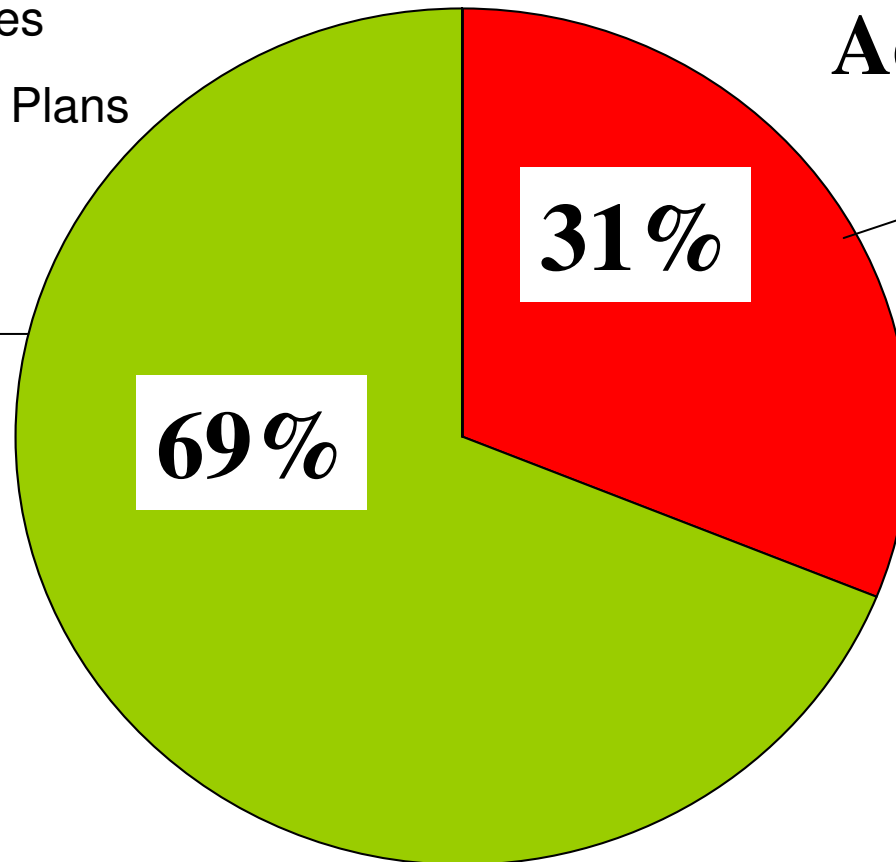
Economic consequences from the following:

- Substantially reducing deaths resulting from medical errors
- Eliminating unnecessary and premature deaths of uninsured citizens
- Better informed and more effective public health strategies
- Improving productivity resulting from a healthier population
- Delinking healthcare insurance from employment
- Eliminating jobs in the 3rd party multi-payer (3PMP) health insurance industry.
- Eliminating jobs in employer benefit administration.
- Eliminating jobs in the “health insurance gaming industry” (HIGI), such as accountants, attorneys, consultants, PACs, and entitlement bureaucrats.
- People occupied in more worthwhile and value-adding jobs.

Health Care Administrative Costs in the U.S.

- 16% of GDP
- Medical Errors
- 15,000 Companies
- 17,000 Separate Plans

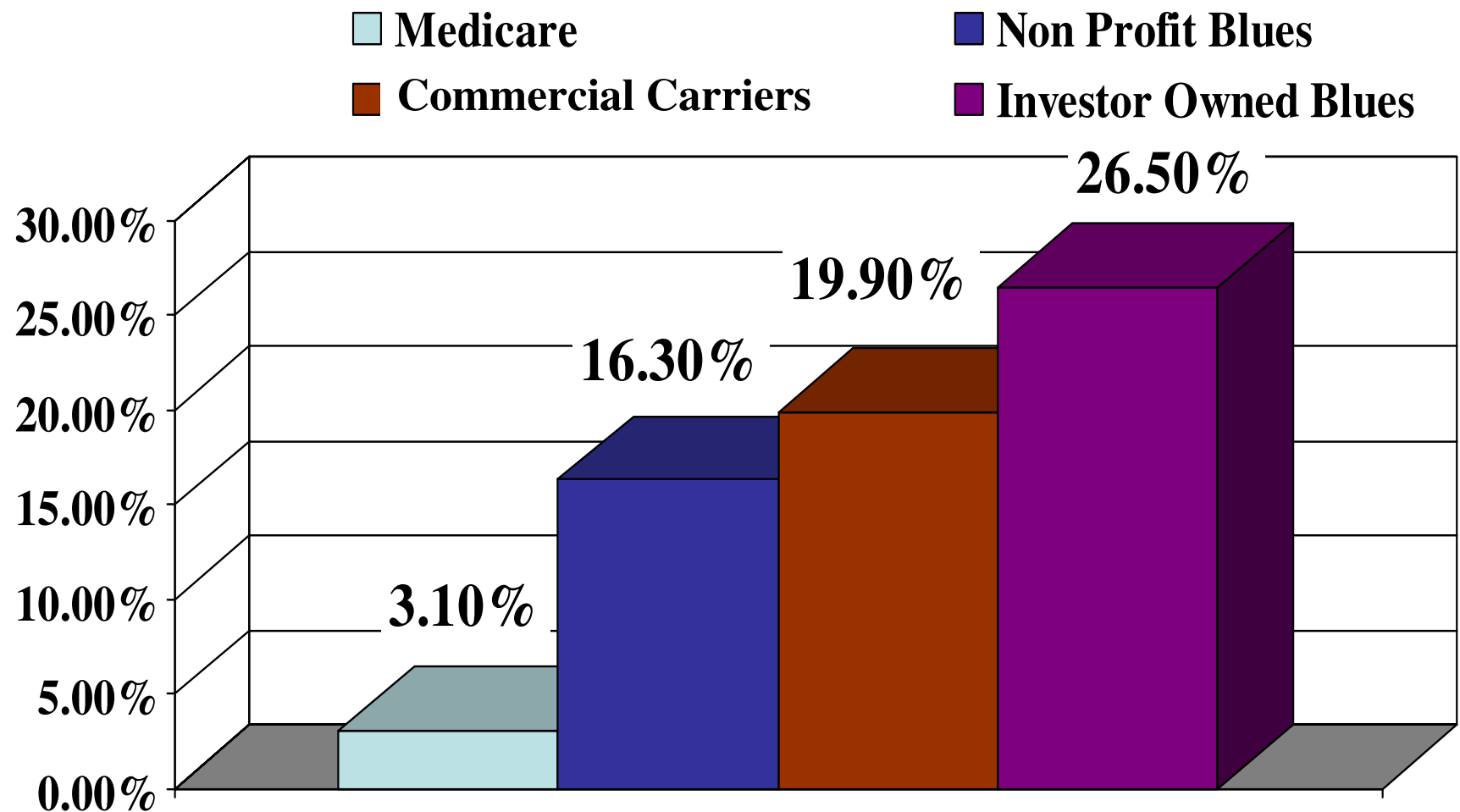
**Clinical
Care**



**Administrative
Costs**

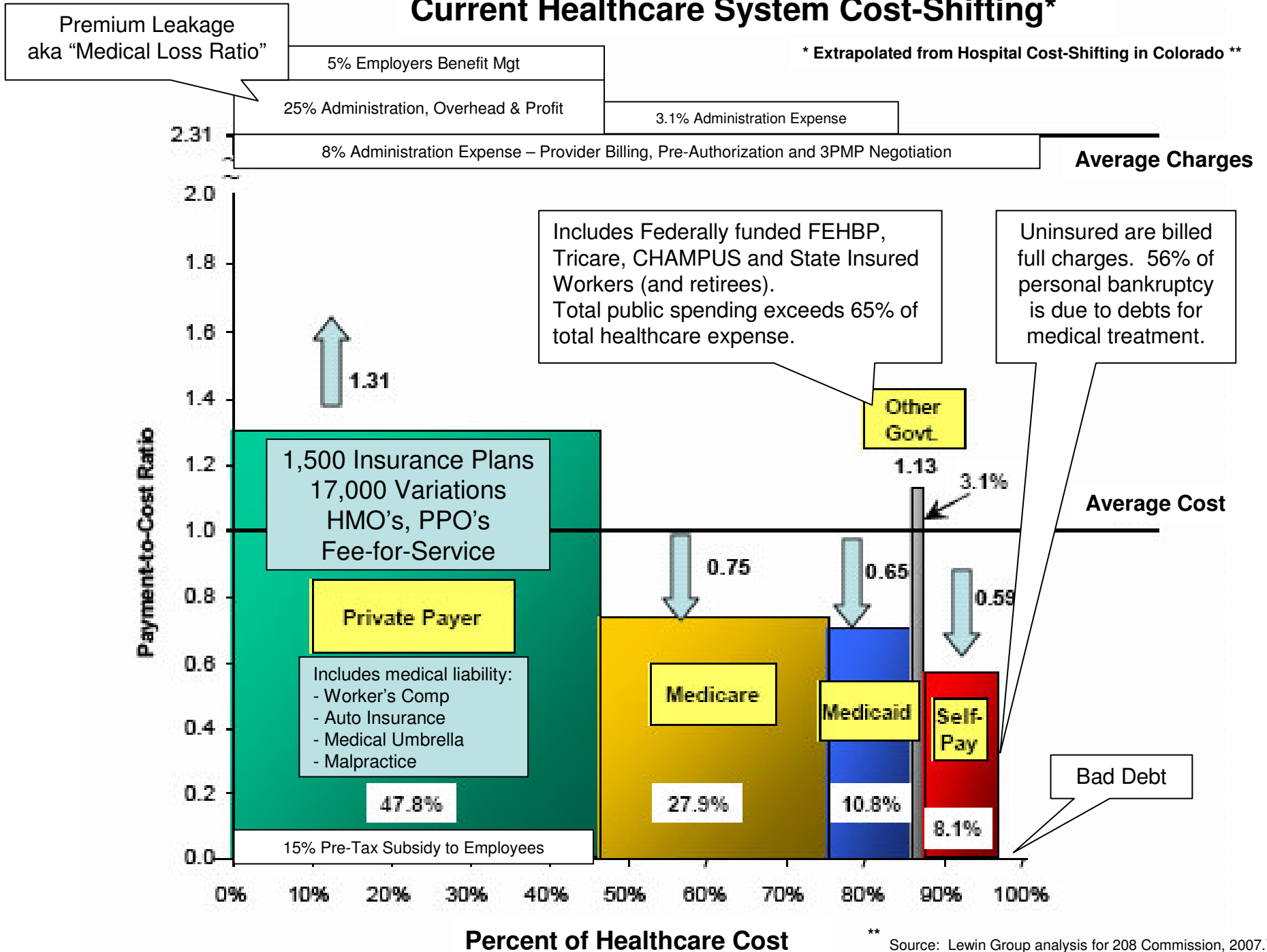
- Medical Loss Ratio
- Employee Benefit Admin.
- Provider Billing and 3PMP Overhead

Administrative Expenses & Profit % of premium 2000



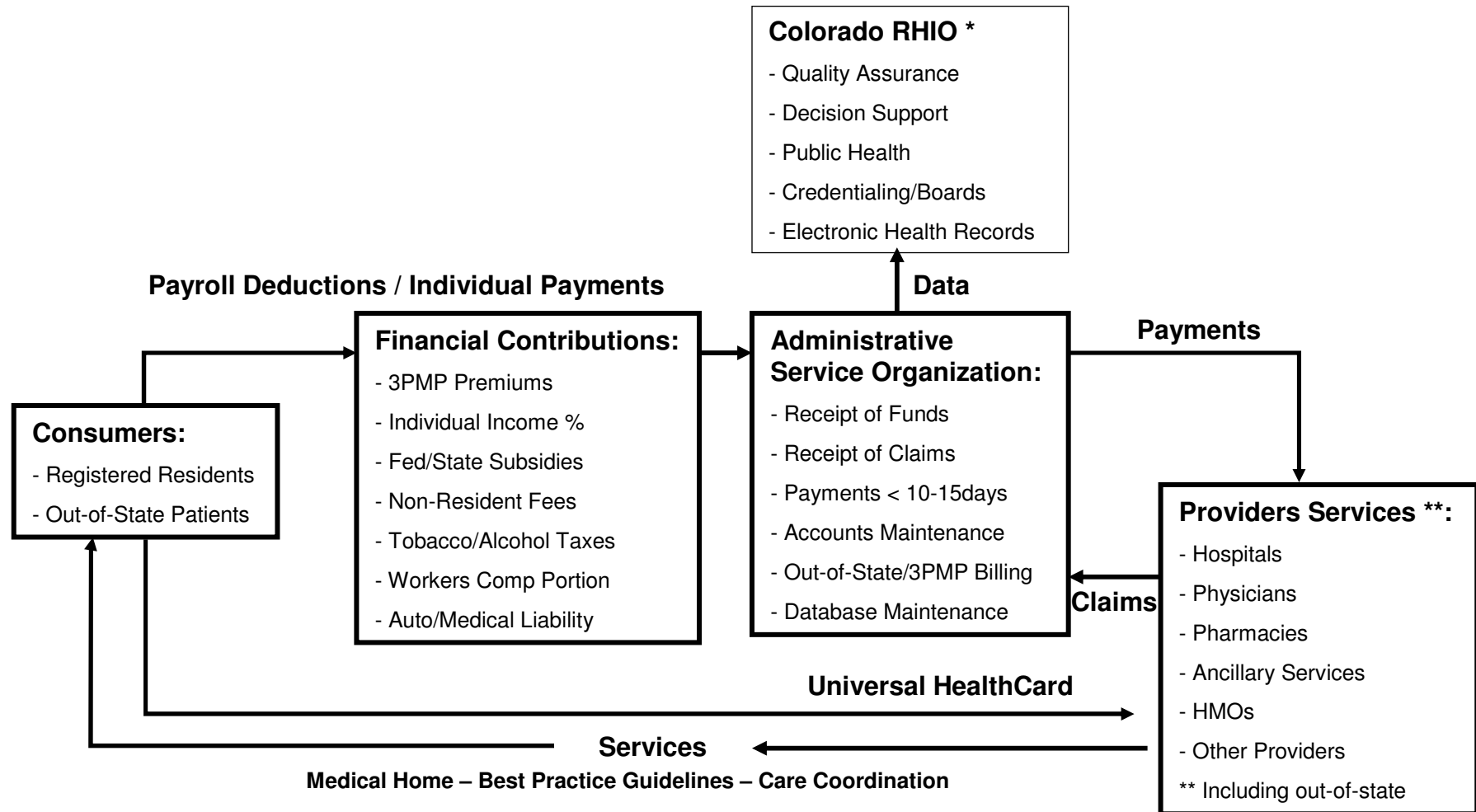
Current Healthcare System Cost-Shifting*

* Extrapolated from Hospital Cost-Shifting in Colorado **



** Source: Lewin Group analysis for 208 Commission, 2007.)

Single Payer – Universal Choice



• RHIO – Regional Healthcare Information Organization
 3PMP = 3rd Party, Multi-Payer Insurance

George Swan, MPH
 iplus007@hotmail.com

Administrative Services Organization (ASO)

- The core of managing a single payer system is the ASO. It will manage all accounts of patients, consumers, employers and employees, 3PMP plans, Federal or State payers, and all providers.
- Accountable to the RHIO for high-quality and efficient performance.
 - Receives all claims from providers and makes all payments.
 - Validates all claims electronically for accuracy/completeness.
 - Ensures provider payments within 30 days of receipt.
 - Negotiates premium surcharge on 3PMP plans.
 - Maintains the privacy and integrity of the data repository.
 - Provides reporting and decision support services.

Enrollment of Consumers

- A statewide enrollment of consumers is necessary to create a demographic database and a "master patient index" for claims and payment management.
- Enrollment can occur through the internet at a multitude of "official" locations. Tentative registration can occur at the time of treatment, with subsequent "validation" and issuance of an official Medical ID number.
- Registration can provide for multiple benefit packages:
 - Single Payer Plan - full benefits of state residency, comprehensive care.
 - 3rd party multi-payer (3PMP) package, state residents or out-of-state visitors with insurance.
 - Uninsured, undocumented or "Not Currently Enrolled" (a "minimum benefit package").

Financial Contributions and Premium Payments

- Employers send payroll-based % or additional contributions to ASO
- Delinking insurance from employment requires all 3PMP be subrogated to the ASO (legal term?). The idea is that the ASO will henceforth manage the employees benefit package on behalf of the employer.
- ERISA-protected plans will be billed ‘as if’ out-of-state payers.
- ERISA plans can offer beneficiaries an opportunity to transfer to SP.
- Out-of-state patients will be billed, or their 3PMP insurance will be billed.
- Federal or State plans (eg Medicare and Medicaid) will contribute a similar amount as paid previous to enactment of the Single Payer Model.
(Beneficiaries will be covered under SP without diminishment of benefits).
- Self-employed individuals or individuals working in small businesses that choose not to make contributions or payroll deductions pay direct to ASO.
- All state residents enrolled in SP will receive a tax credit based on income.
- 3PMP payers will be billed a “premium surcharge” not to exceed their historic cost-shifting surcharge (eg 33%).
- Free-riders shall pay a penalty to buy into SP after the initial enrollment period, else the “minimum benefit package” shall apply.

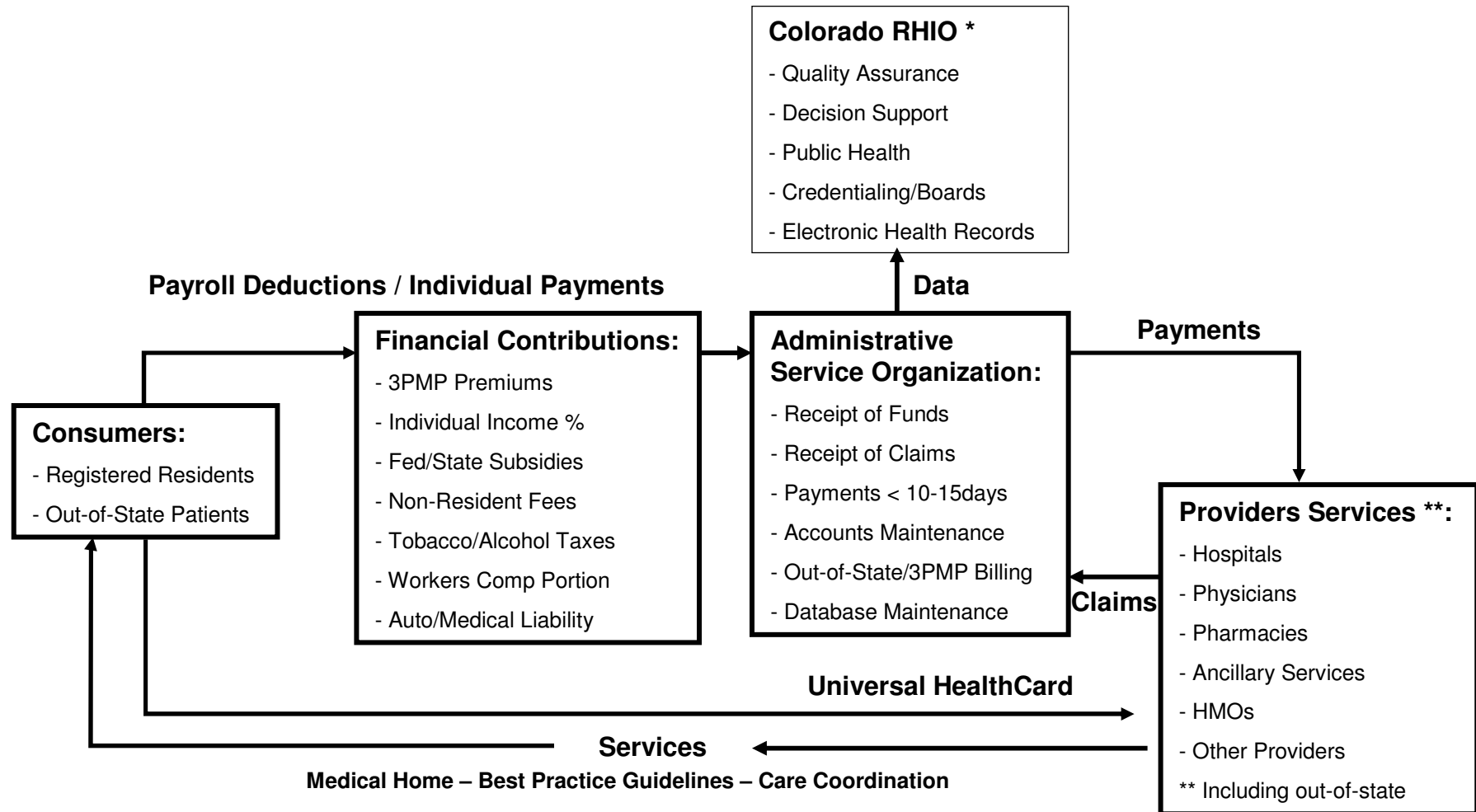
Providers: Hospitals, Physicians, HMOs and others

- Remain in private practice and run their own businesses.
- Relieved of negotiating with or dealing with multitudes of 3PMP plans
- Provide medical services to ensure cost-effectiveness and appropriateness.
- Provide needed services without concern for financial limitations.
- Accesses and updates electronic patient records.
- Utilizes ePrescribing and other electronic means of quality assurance.
- Submit all claims to one single payer, the ASO.
- On-line access to the patient's account, the ASO, manages co-payments, deductibles, co-insurance and other out-of-pocket payments, if any.
- Payments shall be made expeditiously, not to exceed 30 days.
- Provider fees shall be determined by various means:
 - Standard fees set by negotiation between providers and SP Board.
 - Fees set freely by providers over and above the standard reimbursement rates (qv www.balancedchoicehealthcare.org).
 - Capitation rates with pre-paid group practices, medical homes or HMOs.

Regional Healthcare Information Organization (RHIO)

- The Board of Directors is responsible for management of the RHIO.
- The RHIO will oversee the state healthcare system:
 - Sources and Uses of Funds (to balance receipts and payments)
 - Adjustments of Strategic Performance Levers (% of income, reimbursement schedule, SP benefit package, minimum benefit package, subsidy scale).
 - Oversees ASO contract (a private vendor), to ensure privacy (HIPAA compliance), efficiency and a comprehensive data repository for data mining (reporting and transparency).
 - Profiling providers for utilization and cost-effective services
 - Development of cost-effective best practice guidelines
 - Development of individual electronic healthcare records.
 - Supporting community and public health effectiveness.
 - Reporting community health status with key performance indicators (communities could be towns and cities, businesses, occupations, or virtual communities of chronic diseases or vulnerable populations.)

Market Driven Single Payer Option



• RHIO – Regional Healthcare Information Organization
 3PMP = 3rd Party, Multi-Payer Insurance

George Swan, MPH
 iplus007@hotmail.com

Summary

- Employers will be relieved of responsibility for employee healthcare insurance benefits, thereby empowering business to compete on a more even playing field.
- Employees will be free to take on jobs or work in small business or for themselves, without worrying about the employer's insurance benefit package.
- Individuals will no longer be bounced from one 3PMP plan to the next, certain of a stable healthcare insurance premium and understandable healthcare protection.
- Consumers can freely seek out providers for appropriate services, with support from the internet, medical homes and/or community ombudsmen.
- Providers will no longer have to negotiate with or deal with hundreds of insurance plans and a multitude of different conditions and restrictions.
- Providers will be fairly compensated, working within a transparent and stable system.
- Providers shall be free to treat patients without regard to financial capacity.
- Public health workers will have population health data to guide effective activities.
- All residents will voluntarily transfer to the state SP plan because the healthcare system will demonstrate efficiency, effectiveness and genuine value-for-money.
- The Board of Directors of the RHIO shall have the necessary information to seek guidance and administer the healthcare service delivery system with input from all stakeholders, including providers and community advocates.
- Residents will have the necessary transparency to hold the Governing Board and healthcare providers accountable for cost-effective, quality services.

*The truth that makes
men free is for the most
part the truth which men
prefer not to hear.*

- [Herbert Agar](#)