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
Update 3 - 19 August 2007

ColoradoCare is on the Colorado Ballot

Triple Aim in Sight: Reduced Costs :: Improved Health :: Better Services

Community Health Assessment:
- Enrollment/Population Factors
- Utilization/Burden of Illness
- Service Providers :: Quality/Costs
- Claims/Cost Analysis eg CIVHC
- Premiums/Payer Analysis

Medicare/Medicaid Datasets
- Enrollment
- Utilization/Burden
- Service Providers
- Claims/Cost Analysis
- Premiums/Payer Analysis

Data Access and Benchmarking
- County Health Indicators/Trends
- County/State Comparisons/Variations
- National/International Variations
- Claims/Cost Analysis eg CIVHC/APCD
- Premiums/Payer Analysis

Data Transparency and Benchmarking

Center for Medicare/Medicaid Services
- CMS – Hospital Compare, eg HCAPHS
- Actuaries (National Health Expense)
- Provider Cost Reports eg California

Census Bureau
- Population projections
- Economic Indicators
- American Community Surveys

CDC Center for Communicable Diseases
- Healthy People 2020
- National Vital Statistics System
- Behavior-Related Factors Surveillance System
- NHANES etc

CCAHC Pivot Tables
- County Health Rankings USA
- CMS: Hospital Cost of 100 Top DRGs
- CDPHE BRFSS, with Life Course
- Healthcare Measures – International
- CMS HCAHPS Scores (Hospitals USA)

Health Care for All Colorado (HCAC)

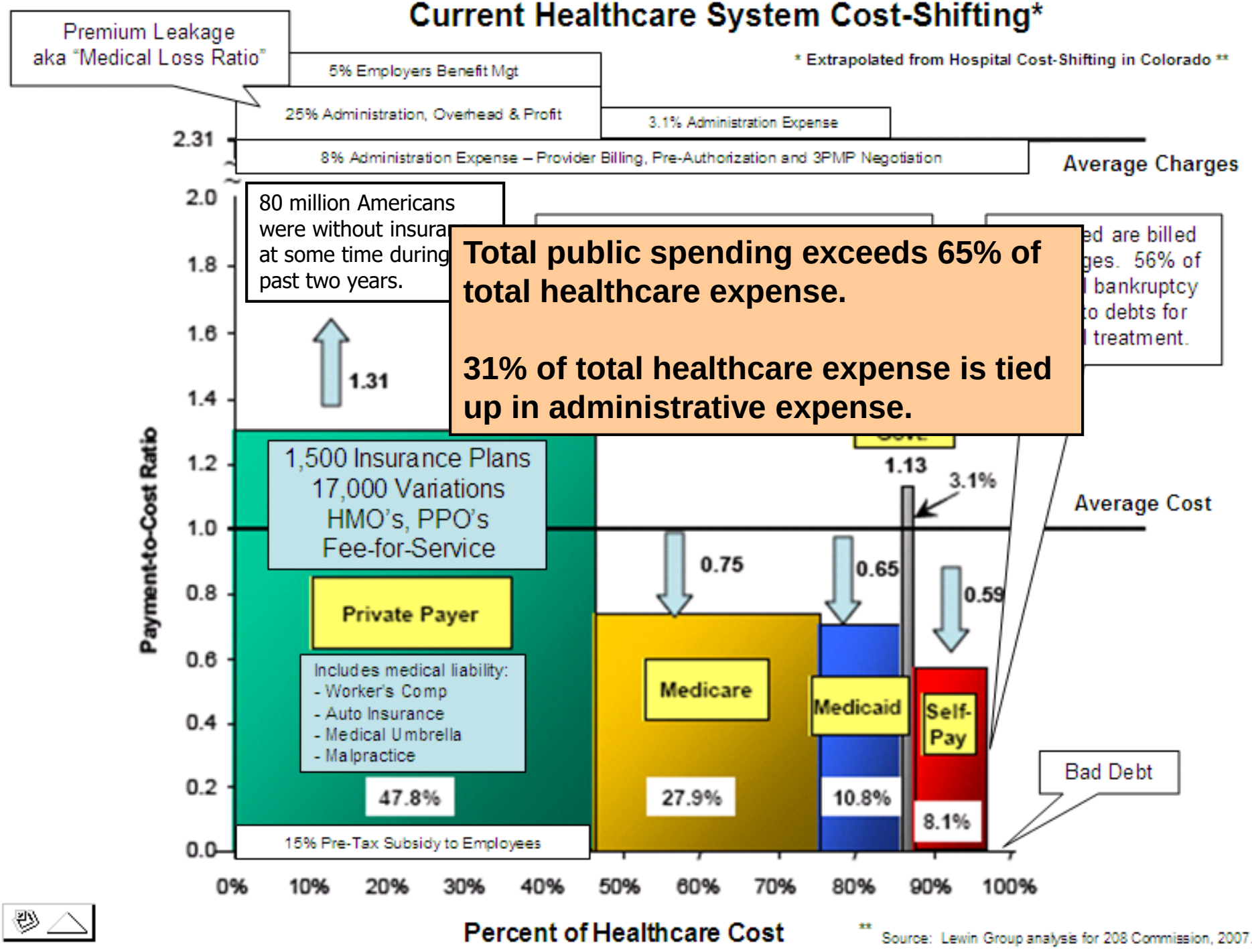
208 Commission for Health Care Reform in Colorado

Major reasons why HCAC supports ColoradoCare (Amendment 69):

- Reduces the uninsured rate in Colorado to ZERO (0)
- Eliminates all underinsurance
- Eliminates all prohibitive cost-sharing, including deductibles and large out-of-pocket expenses
- Eliminates significant overhead for health care providers
- Reduces total health care spending in CO by $5B or more per year
- Allows patients full choice of primary care provider
- Allows for lower negotiated rates for pharmaceuticals
- Comprehensive benefits, including all necessary health care services
- Separates health care financing from the state budget (and political gamesmanship)
- Eliminates Medicaid and CHP+ as “welfare” programs, improving benefits and access to all citizens
- Shared financing responsibility between employers and employees
- Public control (through a representative board), transparency, oversight, and accountability

Current Healthcare System Cost-Shifting*

* Extrapolated from Hospital Cost-Shifting in Colorado **



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

Single Payer

Universal Coverage

Informed Choices

Private Practice

Quality Data Transparency

Comprehensive Benefits

Increased Efficiency

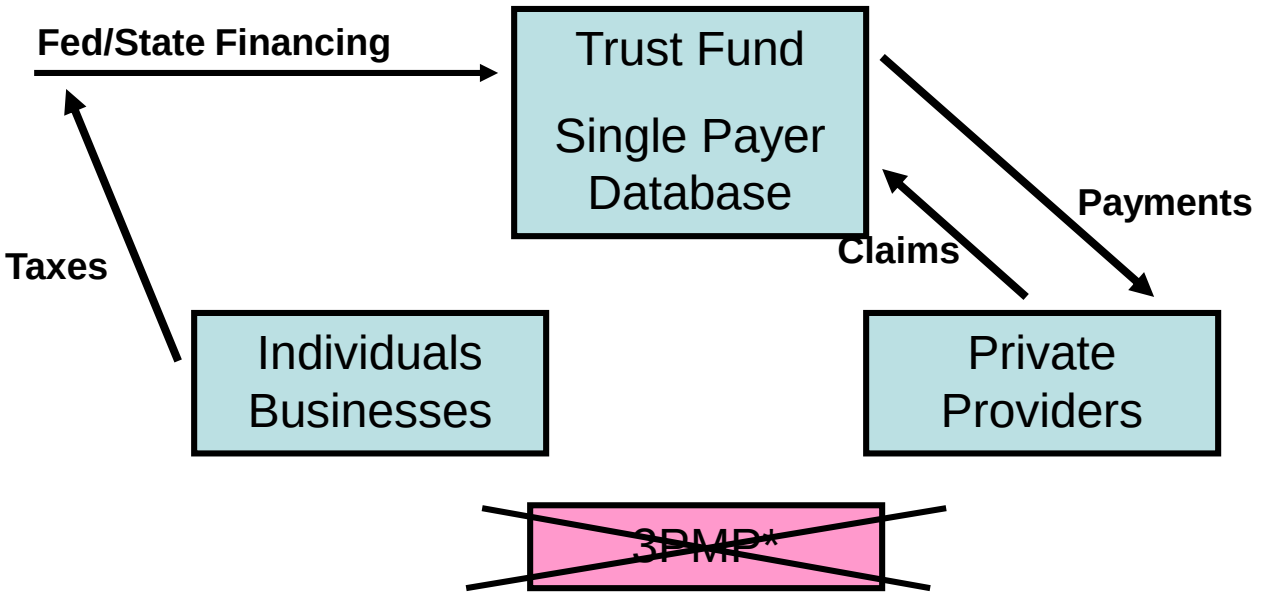
Quality Healthcare Delivery

Insurance Separate from Employment

State-wide Health Services Trust

Governing Board:
A Trust Fund administered by the Board of Trustees – with regional representation of consumers and providers

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 (over 30%) to less than 5% of overall costs (eg Medicare).
- Substantially reducing the 30% of duplicate, unnecessary, and contra-indicated medical services currently being ordered by providers (Dartmouth studies).
- Providing the services recommended by best practice guidelines, of which 50% are not now being provided (Rand). 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, Informed Choices.
- Federal and State bureaucrats no longer micro-manage healthcare.
- Private 3rd Party Multi-Payer (3PMP) healthcare insurers are no longer a burden on healthcare.
- Elimination of Fraud/Waste/Abuse from Medicaid and Medicare.

Cost/Benefit Analysis

Economic advantages arising from data transparency and defined accountability provide the following:

- Substantial reduction of deaths resulting from medical errors
- Elimination of unnecessary and premature deaths of uninsured citizens
- Better informed and more effective public health strategies
- Improving productivity resulting from a healthier population
- Delinking of healthcare insurance and associated costs from employment
- Shifting to productive jobs from employer benefit administration.
- Shifting to productive jobs from the 3rd party multi-payer (3PMP) health insurance industry.
- Shifting to productive jobs from the “health insurance gaming industry” (HIGI: accountants, attorneys, consultants, lobbying, and entitlement bureaucrats).

Single Payer

Universal Healthcare

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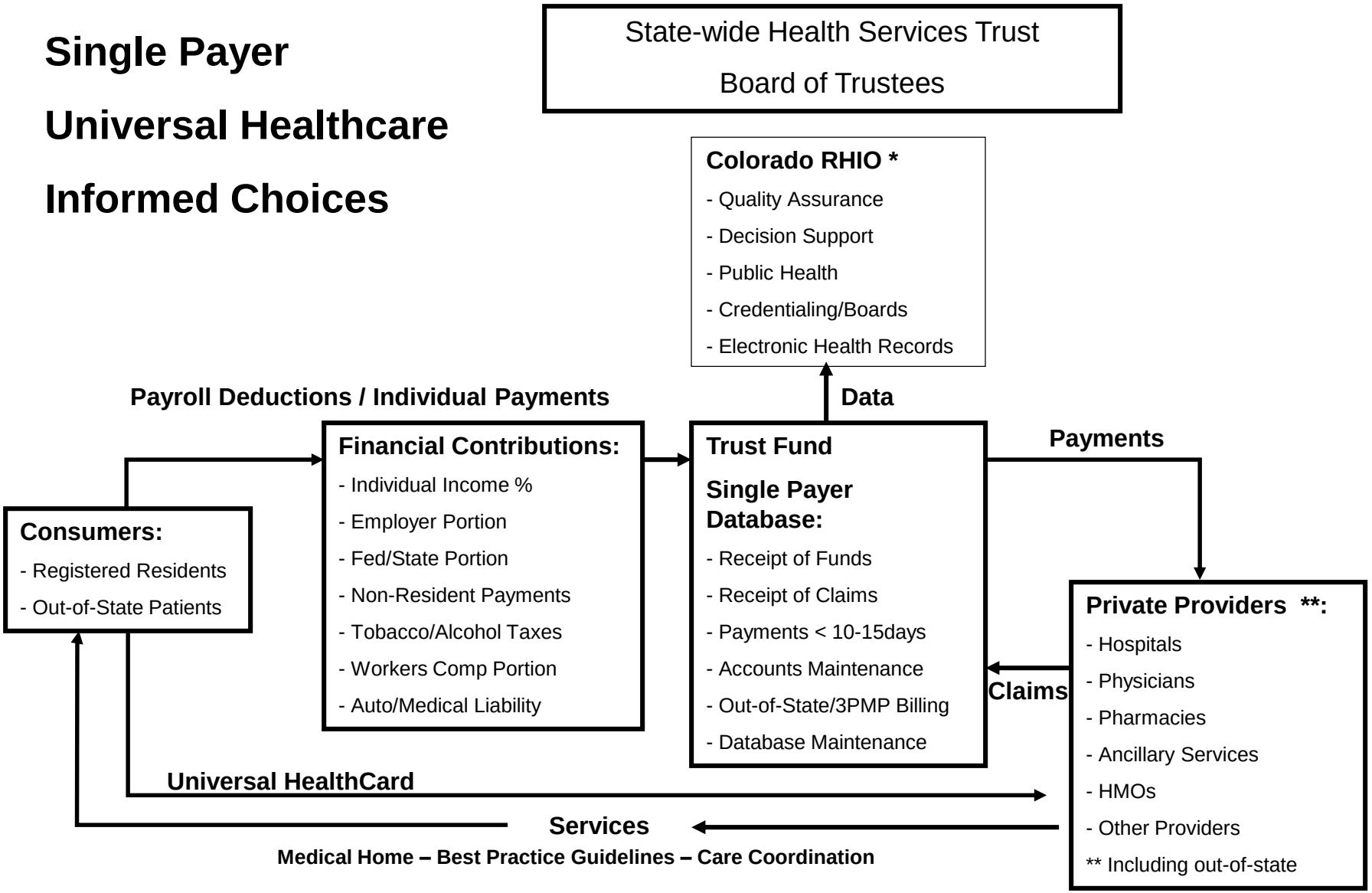

• **RHIO – Regional Healthcare Information Organization**

3PMP = 3rd Party, Multi-Payer Insurance

George Swan, MPH

August 2007

Single Payer Database

- The core of managing a single payer system is the Single Payer Database. It will manage all accounts of providers, patients, and consumers.

- 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.
  - Collects “windfall tax” on 3PMP plans and other payers.
  - 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.
- Claims constitute the foundation of personal, on-line electronic health records.

- 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.

Financial Contributions

- Employers and employees combined health cost contribution would be a maximum of 10% of employee income (above some specified minimum, say $7,000), with final calculation based on tax return.
- Employers paying premiums have pre-tax subsidy for employees.
- Individuals and Families should have equivalent tax deduction
- High-income individuals gain additional tax deduction (Sched A).
- Board of Trustees adjust benefits to stay within budget limits.
- ERISA plans offer beneficiaries an opportunity to transfer to SP
- ERISA and other 3PMP hold-outs will be billed a windfall tax.
- Out-of-state patients, or their 3PMP plans, will be billed fees, plus a windfall tax (approx 31% over average costs).
- Federal or State plans (eg Medicare and Medicaid) will contribute a similar amount as paid previous to enactment of the Single Payer Act. (Beneficiaries will be covered under SP without diminishment of benefits. Medicare can be taken on as 'Medicare Advantage').
- Self-employed individuals or individuals not making contributions through their employer will contribute directly to state revenues.
- Free-riders shall pay a penalty to "catch up on arrears" when treated or when annual tax return is filed.

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, since claims are submitted to one single payer. 3PMP claims would be routed to a clearinghouse for billing purposes.
- Provide medical services to ensure cost-effectiveness and appropriateness.
- Provide services as needed, according to provider-agreed best practice guidelines and professional judgment.
- Gain access to and updates electronic patient records.
- Utilitizes ePrescribing and other electronic means of enhancing service and improving outcome indicators
- Transparency shifts errors to risk management and “I’m sorry” openness.
- Payments shall be made expeditiously, not to exceed 30 days. Late payments shall include supplementary interest payments.
- 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 Trustees 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, etc).
  - Outsources single payer database functions to a private vendor and monitors HIPPA compliance, efficiency and integrity of a comprehensive data repository for data mining (reporting and transparency).
  - Provides informative data for consumers and private providers.
  - Facilitates 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.)

Features by StakeHolders – Utah Healthcare Information Network

TO ▶ FROM ▼	Physicians	Hospitals	Health Plans	Public Health	Pharmacies	Laboratories	Consumers
Physicians	Referrals and consultations CCR	Admissions information; pre-natal reports; CCR	Medical necessity; Workers Comp notes; pay-for-performance Claims; claim status; eligibility, prior auths Current drugs ; dosage adjustments	Case reporting; Queries to Controlled Substance Data Base	E-prescriptions; refills, renewals, Prior auth notice; dosage adjustments	Questions about tests and results	Lab results, lab test reminders disease mgt reminders refill/renewal reminders
Hospitals	Results, results reporting; Discharge notes; lab results, ED admissions; ED labs and prescriptions transcriptions; dictation; CCR*	Patient transfers; CCR	Claims, claim status, eligibility, prior auths; attachments Rx history Formulary	Case reporting; RODS Vital records Tumor registries	Drugs reconciliation; E-prescriptions;	Questions about tests and results	Admit information requests, schedule reminders
Health Plans	Pharmacy eligibility, formularies, current drugs ; pharmacy benefits; remits; claim status; eligibility, prior auth responses	Medical necessity; remits; claim status; eligibility, prior authorizations responses	Subrogation, coordination of benefits	Case reporting	Eligibility resp; medication history; medical history remits;	Questions about tests and results	Benefits information; Disease management information;
Public Health	Notices of disease outbreaks; Notices of changes in reportable diseases	Notices of disease outbreaks; Notices of changes in reportable diseases	Notices of disease outbreaks	Reports of disease outbreaks & (to bioterrorism	Response to controlled substances data base queries	Notices of changes in reportable diseases	Outbreak alerts
Pharmacies	E-prescriptions; refills, renewals, Prior auth requests; questions about prescriptions; fill status	Drug reconciliation; fill status?	Pharmacy eligibility; claims; medication history; medical history	Reporting and queries to Controlled Substance Data Base	Prescription transfers	Questions about tests and results	Refill and renewal management
Laboratories	Results, responses to queries, test status updates	Results, responses to queries, test status updates	Answers about tests and results	Reportable diseases reporting	Results, responses to queries, test status updates	Q/A re: tests and results; test status updates	Results?
Consumers	eVisits, appointment scheduling, refills & renewals	Admission/ appointment scheduling	Benefits questions, complaints	Quality data tracking. Public health reports	Refills & renewals	Scheduling appointments	

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 Trustees 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

BREAKING NEWS Leona Helmsley, once known as 'queen of mean,' dies at 87

msnbc

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LIVE VOTE

How would a major medical event affect your finances? * 1838 responses

Not much. My insurance would cover virtually everything.
8.9%

I'd take a serious hit from deductibles and co-pays, but I could probably come up with the money.
34%

I'd be wiped out even though I have insurance because I don't have the money for deductibles and co-pays.
46%

I'd be wiped out because I have no insurance at all.
11%

Not a scientific survey. Click to learn more. Results may not total 100% due to rounding.

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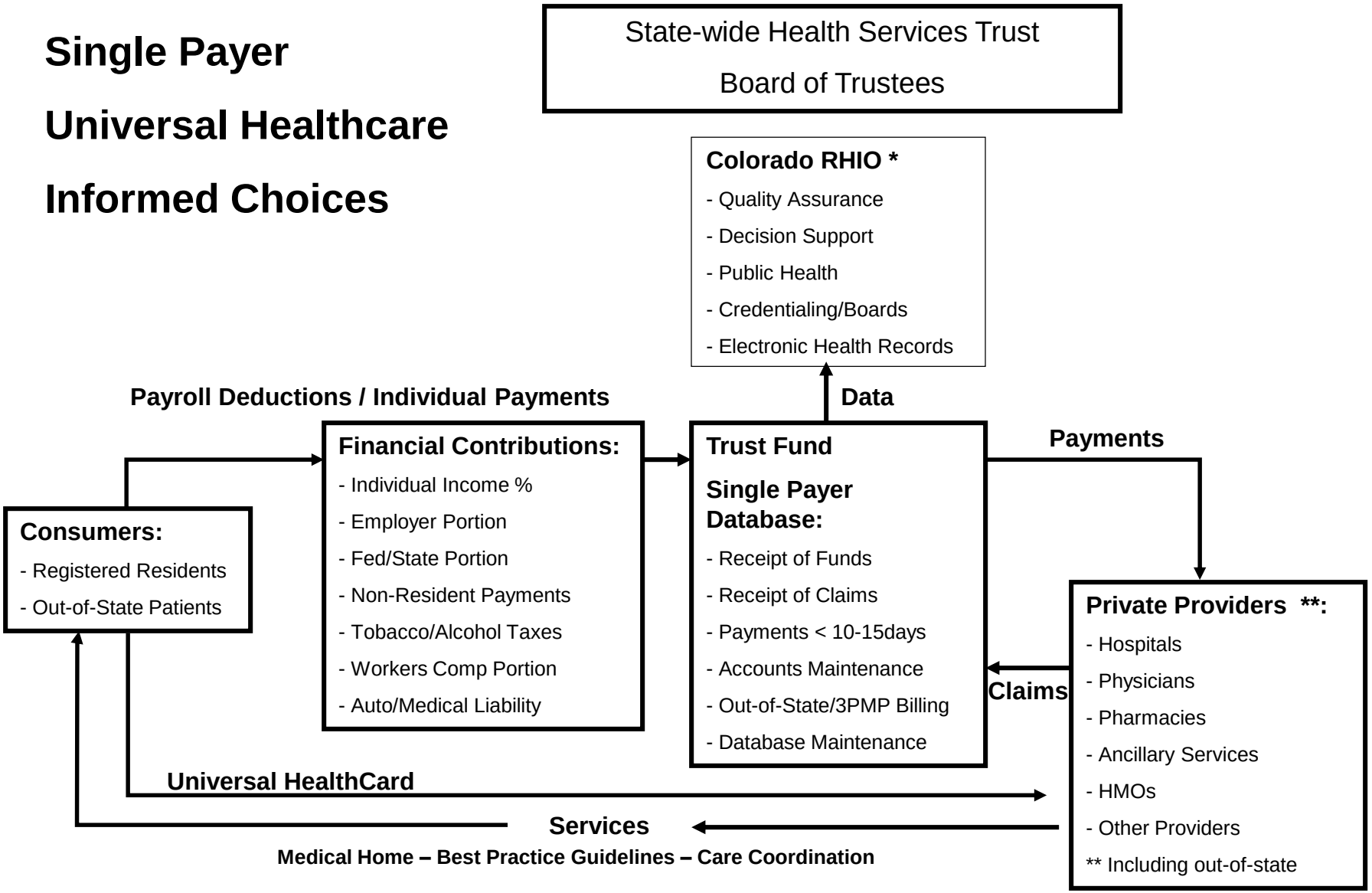

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