

Affordable Health Care for All (A New Approach)



Health Care for All Colorado
www.healthcareforallcolorado.org

Winston Churchill



“The Americans will always do the right thing... after they've exhausted all the alternatives.”



World's Health Systems Ranking

The World Health Organization

2000 Report

- | | |
|--------------|-------------------------|
| 1 France | 31 Finland |
| 2 Italy | 32 Australia |
| 3 San Marino | 33 Chile |
| 4 Andorra | 34 Denmark |
| 5 Malta | 35 Dominica |
| 6 Singapore | 36 Costa Rica |
| 7 Spain | 37 United States |
| 8 Oman | 38 Slovenia |
| 9 Austria | 39 Cuba |
| 10 Japan | 40 Brunei |



Colorado Blue Ribbon Commission for Health Care Reform Guiding Principles

- Protect and improve the health status of all Coloradans.
- Expand coverage of essential health care services for all Coloradans, with an emphasis on the uninsured and underinsured.
- Align incentives to provide high-quality, cost-effective and coordinated care.
- Support a system that is financially viable, sustainable and fair.
- Provide opportunities for meaningful choice and encourage personal responsibility.
- Emphasize wellness, prevention, health education and consumer empowerment



Colorado Commission Plan (CCP)

- Restructure and expand Medicaid and CHP+
- Require all legal residents of Colorado to have health insurance coverage with basic plan coverage.
- Provide subsidies for low-income families and individuals to purchase private insurance.
- Reform the individual insurance market.
- Create a Coverage Clearinghouse.
- Require all employers to create IRS Section 125 premium-only plans.
- Undocumented residents excluded from mandate and subsidies.



Colorado Commission Plan Subsidy

- To receive a subsidy, an individual must have been uninsured for at least six months, e.g. a six month waiting period.
- There would be an assets test equal to \$100,000 minus car, home, qualified retirement and educational accounts and disability-related assets.
- People are required to enter into their employer's plan with a state subsidy if the employer coverage is equivalent to or more comprehensive than the CHP+ plan coverage.
- Employers who do not offer coverage refer employees to the Coverage Clearinghouse for information on insurance. In addition, employers would be asked to distribute information and help people sign up for subsidies.



Colorado Commission Plan Minimum Benefits Package

The program creates a minimum benefits package. The plan would be designed to have the following features:

- The package would be designed to cost approximately \$200 per person per month.
- The basic benefit plan would have an HSA option as well as delivery system options (HMO, PPO, etc).
- The basic benefit plan would offer mental health benefits on par with the physical health benefits offered.
- Every insurance company that sells health insurance in Colorado will be required to offer these individual plans, appropriate to their type of network.
- Limits on mental health, therapies, and prescription drugs would be discouraged.



Colorado Commission Plan Mandate Enforcement

The mandate would be enforced by:

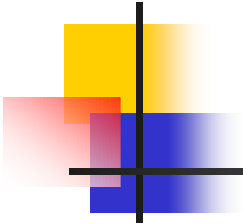
- Requesting proof of coverage at school enrollment.
- Requesting proof of coverage at Department of Motor Vehicles.
- Assessing penalty at tax filing without proof of coverage, equal to the cost of a year's coverage.
- Creating central registry of uninsured.
- By referring those who file an income tax return without proof of coverage to the Coverage Clearinghouse.



Colorado Health Services Program (CHSP)

- A single payer comprehensive plan administered by a public insurance company with a not-for-profit governing board.
- Federal, State and Local government health dollars are transferred to the Colorado Health Trust, insulated from the general state budget.
- Administration costs of the CHSP are limited to no more than 5%.
- No deductibles; nominal co-pays; no co-pay for preventive care.

Basic Feature Quick Reference



	CCP	CHSP
Covers all the uninsured		✓
Dental coverage/Everyone		✓
Vision coverage/ Everyone		✓
No caps on coverage		✓
No mandate to buy private insurance		✓
Comprehensive health care /Less \$		✓
Mental health coverage/Everyone		✓
Long term care	✓	✓
Medical training/Financial aid		✓
State wide patient health information network		✓



Health Care Security

	CCP	CHSP
Plan-based premiums	✓	
Income based state health insurance contributions		✓
Eligibility requirements	✓	
No barriers to coverage		✓
Limited plans	✓	
Single comprehensive plan		✓
Consumer billing	✓	
Direct reimbursement to provider		✓
3rd party treatment approval	✓	
Provider/Patient treatment choice		✓
Portable		✓
Sustainable		✓

Change in Health Coverage

	CCP	CHSP
1 Adult \$25,000/yr 1 Kid	Medicaid Adult & Kids	FULL COVERAGE
2 Adults \$55,000/yr 2 Kids	Mandated Private Coverage 80% Subsidy	
2 Adults \$65,000/yr 2 Kid	Mandated Private Coverage Subsidy for Cost over 9% Income	
2 Adults \$85,000/yr 2 Kid	Mandated Private Coverage No Subsidy	

Funding Changes and Remaining Uninsured

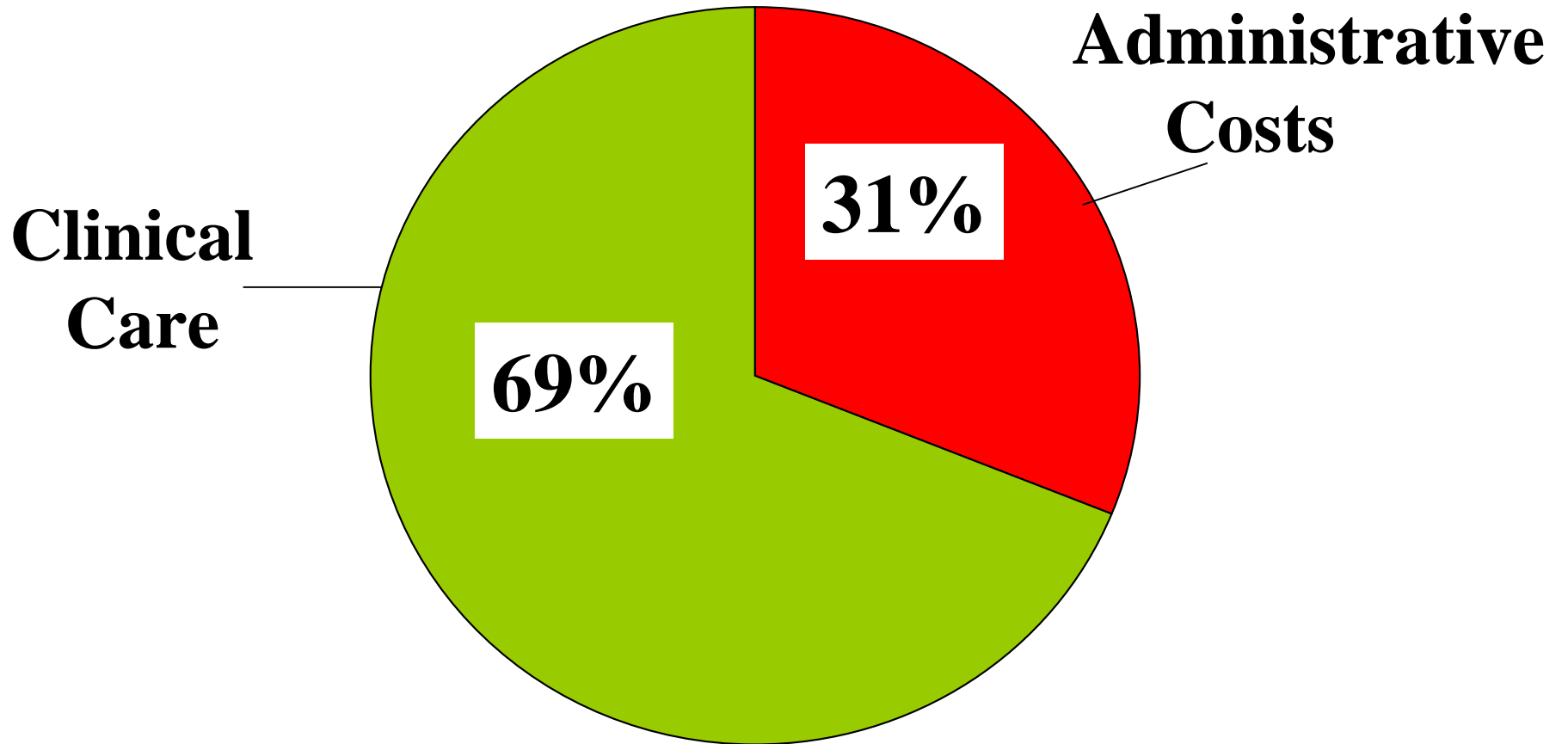
	Current	CCP	CHSP
Overall cost	\$30.1 billion	+ \$1 billion	– \$1.4 billion
Annual benefit maximum	Current	\$50,000/basic mandated plan	No Maximum
Uninsured	792,000	97,500	0
% of population uninsured	17%	2%	0
Private	62%	66%	0
Public	21%	32%	100%



Advantages of Single Risk Pool Health Care

- Comprehensive health coverage for everyone; all needed care; nominal co-pays: no deductible.
- Greater choice of provider
- Health decisions made by patient and provider.
- Public accountability for quality and cost, but minimal bureaucracy.
- Eliminates the high overhead cost of multiple private, for-profit insurances. Reduces administrative costs from as much as 33% to 1-5%.
- Fee for service with simplified negotiated fee schedule; simplified reimbursement.
- Improved statewide health planning.

Health Care Administrative Costs in the U.S.





Colorado Health Services Program Health Cost Savings (2007/2008)

- Care utilization cost increase: \$1.774 billion
- Insurer administrative savings: **\$1.856 billion**
- Providers administrative savings: **\$669 million**
- Hospitals administrative savings: **\$322 million**
- Negotiated bulk rate savings
(Prescription Drugs,
Durable Medical Goods): **\$322 million**

Total Colorado savings: \$1.395 billion

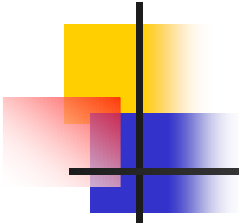


Colorado Blue Ribbon Commission for Health Care Reform

- While it's crucial to get a general sense of how much each proposal is likely to cost, it is not possible to understand detailed cost impacts upon specific groups (for example: families, state government, employers) without knowing exactly how each proposal will be financed.
- Those decisions will be made by the legislature.

Example of a Monthly State Health Insurance Contribution Table

(Not actual figures)



Adjusted Net Income	1 Adult	Family of 2	Family of 3 or More
\$\$\$	0	0	0
\$\$\$\$\$	\$100	\$130	\$150
\$\$\$\$\$\$\$\$	\$201	\$241	\$291
\$\$\$\$\$\$\$\$\$\$	\$302	\$352	\$392
\$\$\$\$\$\$\$\$\$\$\$\$	\$403	\$453	\$493



Undocumented Patients

- Health care professionals are trained to and took an oath to provide care to those in need. There are no illegitimate patients.
- Public health considerations.
- The emergency room is one of the most expensive units in the hospital. More than half of all ER visits are for minor, non-urgent problems. These visits can be two to three times more expensive than a visit to the doctor's office. Overuse of the emergency room is one of the top drivers to higher cost.
- Having a medical home for all the uninsured, irrespective of their legal status, will save on medical cost.



Other Laws and Colorado Health Services Program

The Colorado Constitution's Taxpayers Bill of Rights (TABOR)

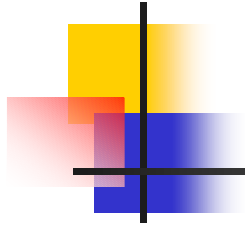
- Excludes a government-owned business authorized to issue its own revenue bonds and receiving under 10% of annual revenue in grants from all Colorado state and local governments combined.
- The Colorado Health Services Program is a government-owned enterprise.

The Employee Retirement Income Security Act of 1974 (ERISA)

- Allows States to continue to regulate insurance, banking, or securities.
- This is ERISA's so-called "savings clause" in which Congress spelled out a category of state laws that would not be preempted.
- The Employee Retirement Income Security Act of 1974 could not preempt the Single-Payer Colorado Health Services Program.

2005 Poll Preference

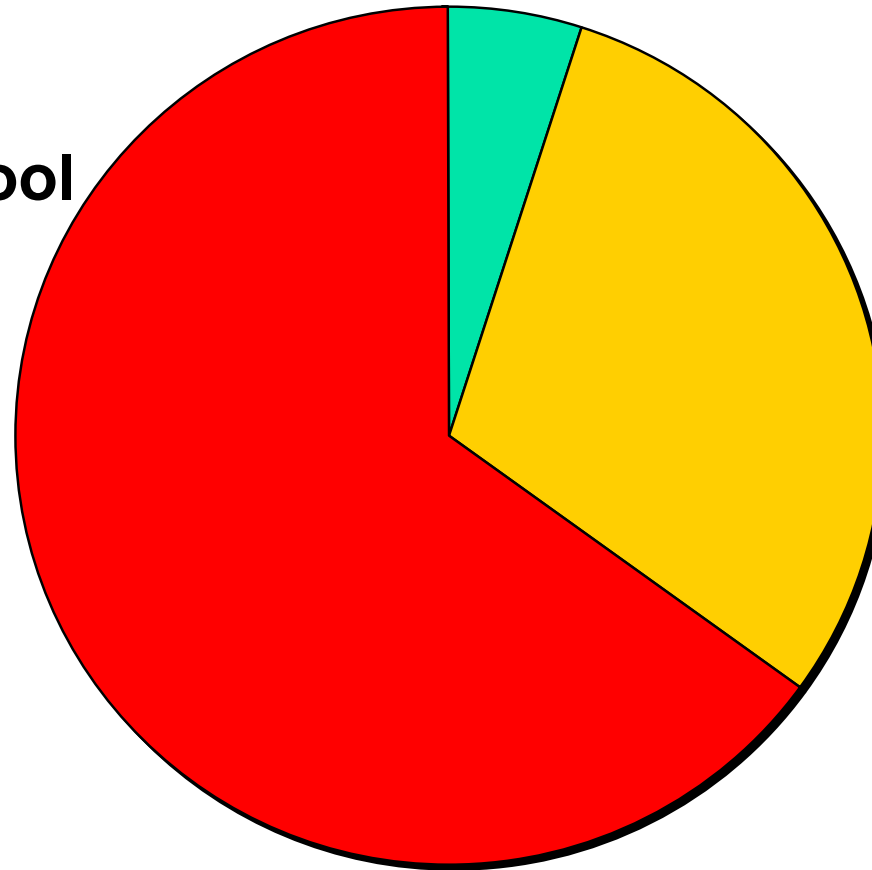
Financed by Taxpayers
Single Risk Pool



5% Don't Know

65% Single Pool

30% Current





Eldon Van Der Wege, MBA

We are currently in a very inefficient single risk pool called the United States. We just have a very strange way of creating a large bureaucracy that wastes everybody's time and money by fragmenting it into small inequitable groups. When are we going to realize we are all in the same economic boat when it comes to health care cost?

The economic key to this problem is to realize that the current system is inefficient in both the way it is administered and financed. You can rearrange the chairs on the Titanic, but it wouldn't do any good. Everybody for his or her self wouldn't work either.

We are too vested in the old way of thinking. It is not technology or patient demand that is the problem. This is a crisis that requires a restructuring of the whole system. Some big businesses will have to go out of business because they are part of the problem. The ship will sink if we don't start seeing the problem for what it is.