CHANGE 1992

THE ROLE OF "UNITED STATES UNIVERSAL SYSTEM" IN HEALTHCARE REFORM

It is very difficult, if not impossible, to consolidate 30 years of research based analysis and evolving thought process into a simplified format, however the following article helps in defining the solution. It is the most comprehensive analysis of healthcare reform ever written, and further, specifically details what MUST BE DONE in order to ensure a successful outcome in terms of restructuring the current system. However that was not the objective of the article but rather my own keen observation, which was to consolidate All of the formats presented into ONE singular system, keeping the "PROS" of each while eliminating most of the "CONS". For that reason I have saved this article from 1992 as it represents the overall objective and benchmarks for EVERY aspect of "United States Universal System", and I will attempt to communicate to you how and why "US.US" differs substantially from ALL other proposals, none of which meet this exacting standard.

This article clearly defines the history of healthcare reform and obstacles to Single Payer, but also shows that the issues of 1992 are still the same issues of today. We have not "progressed" very far. There are two parts of this article that are of particular importance; "the SIX keystones of reform" and an analysis of the PRO'S and CON's of government, employer and private approaches to healthcare.

A. "the SIX keystones of reform"
    1. The debate must be issue oriented
    2. Proposals must be simple and understandable
    3. Reform must address ALL problems
    4. Coverage must be UNIVERSAL
    5. The campaign must involve and educate the Public
    6. The President must lead (That's for you Steve)

(#1) "THE DEBATE MUST BE ISSUE ORIENTED: Because health-care reform is so complex, it needs thoughtful analysis of the pros and cons of the various proposals. What is DOESN'T need is emotional rhetoric, stereotypical labeling, and stigmatized SLOGANS such as "socialized medicine" that solve nothing and simply squelch the debate."… "United States Universal System" primary focus is on fair and equitable MEDIATED price reductions by creating offsetting Cost reductions in the overall process. No other proposal addresses COST related issues. In a normal debate there would be one side, the other side and the middle. Healthcare reform is not that way as every issue has some form of impact on each and every other issue. "US.US" defines, clarifies and uses only fact-based analysis to expose many of the myths regarding the "myths" regarding many of the relationships that exist between issues. If facts do

not support a successful outcome prior to implementation, then “US.US” acknowledges that that does not constitute proper “proof of concept” for ANY proposed part of the plan. It MUST work.

It was so named for a variety of reasons. Although it uses Medicare as the template for the model, because it is simple and further represents the most manageable format, Medicare is both completely reformed and integrated as part of the whole, so the resulting format will not be MedicareforAll but rather “Medicare like” for All. Second, it is not a legislative proposal but rather a specific model that integrates all public, private and employer formats and FUNDING into ONE flexible, vertical, simplified, “Universal System”. Third the term Medicare is a catch phrase or slogan that has both a positive AND negative stigma attached to it. While most supporters “believe” they understand Medicare, very few actually do, they perceive it to be basically good (which it is). However, Medicare is the most hated word in the Provider sector. No Single Payer system will come to pass until it meets the approval of all the Provider systems involved. “US.US” finds that median point. To this point very few of the Cons of current proposals are being examined, however the cracks are beginning to show. MedicareforAll is a “one trick pony” as are all other proposals which focus solely on the single issue of merely reducing all reimbursements to the Medicare level. Also, MedicareforAll has no resemblance to Medicare but rather Medicaid, so fundamentally the slogan doesn’t work, and is further evidence that Mr. Sanders is misguided in his approach. Finally, it is simple. “US.US. can be interpreted as ALL of “US”, United States, and Universal System. The naming is most appropriate and therefore should have no stigma attached to it.

(#2) “PROPOSAL MUST BE SIMPLE AND UNDERSTANDABLE: Americans want to know how a plan relates to THEM. We understand the basics of Social Security (even if we don’t understand the benefit formula) and we know generally how Medicare works (even if we don’t fathom how DRG’s are computed). In 1965 all Medicare advocates needed to know was “it will put the equivalent of a Blue Cross card into the wallet of every older American.”… “US.US” accomplishes that simply. For the consumer it can be consolidated down to two pages and a simplified worksheet for enrollment that will be universal across all 50 states. If you move or change jobs the process will be the same and moving between economic circumstances such a Medicaid, unemployment, self-employment, Medicare, etc. will also be quite simple. Additionally, those potential changes will occur on an equivalent basis, meaning you can replace exactly what you had. Steve’s concept of a National Medical Card could easily encompass many more interests beyond those he has originally envisioned. That said, I INTENTIONALLY left the operating metrics from my crude website as they would be beyond the comprehension of most people. If you desire to know what many Americans misguided thoughts are regarding this issue, simply tune in to the Medicare for All space on TWITTER. You will be both amazed and disappointed at the same time. There are many attitudes requiring adjustment. “US.US” properly presented accomplishes that in simple form.

(#3) “REFORM MUST ADDRESS ALL PROBLEMS: It’s not enough to guarantee insurance only for those without it. Health-care reform must also CONTROL COSTS. It must calm our fear of losing insurance if we lose or change jobs. It must promise that our premiums and out-of-pocket costs won’t skyrocket if our employers cut back coverage. It must remove the possibility that pre-existing conditions, or a sudden illness will ever again affect us or our children. And finally, it must end our subjugation to forms of waste and fraud.”… “US.US” accomplishes all that and much more. It not only controls cost but actually

lowers it in a fair and equitable fashion. "US.US" is basically portable, covers pre-existing conditions as normal by accepting responsibility for accrued and run-out liability and both community rating and employer presence ensure a high semblance of cost stability and sustainability. It represents an integration of all Public, Private and Employer Systems and FINANCING into ONE flexible, vertical universal system that fairly addresses ALL issues between insurers, providers, employers, governments, and the people. Beyond that it has further provided the capacity to expand coverage to the currently uninsured at the LOWEST POSSIBLE COST. Assuming all else is in order this represents the greatest obstacle to success. States like Texas, having the greatest number of uninsured will see substantial overall increases in cost from ANY Single Payer proposal. No other proposal addresses this issue. Much more on all of this in section regarding suggested reforms.

(#4) "COVERAGE MUST BE UNIVERSAL: The strength of Social Security and Medicare is that all of us are or hope to be beneficiaries. We have a stake in these programs and the way they work. The weakness of welfare and Medicaid is that, because few of us will or hope to be recipients, we think of them as being for someone else and have little interest in their adequacy or effectiveness." … "US.US" substantially reforms these systems to the mutual benefit and therefore interest to ALL. The "AM WORKING" provisions of Medicare & Medicaid expansion will cause current expenditures to go 25% further as well as potentially reduce the cost of Medicaid to both the states and federal government. This is VITAL to overcoming cost objections from the 18 states who HAVE NOT adopted Medicaid expansion. The benefits provided under each component of "US.US"; Medicaid/Expanded Medicaid, Traditional, Pre-Medicare and Medicare/Expanded Medicare will be uniform for each.

(#5) "THE CAMPAIGN MUST INVOLVE AND EDUCATE THE PUBLIC: The history of health-care reform and Medicare proves that legislation won't happen just because a small group of politicians think it is necessary. Without understanding, organization and pressure by the public, Congress will feel little need to reach consensus any time soon."… "US.US" seeks to both reform and re-educate the public, employers and the government regarding what their role in this disaster has been and further redefine what the roles of each component of the system CAN and SHOULD be. Health-care has evolved into a system of socio-economic behaviors, in which each component; insurer, provider, employer, consumer, taxpayer and government seek their own economic "best interests" often highlighted by adverse behavior to include; over consumption, excessive pricing and fraud. That said the system is out of balance. Budgetary issues and deficits are valid concerns for all the above and "US.US" seeks to equitably rebalance the system and remove those issues as obstacles to a new system. Additionally, there is way too much disinformation out there. Profit is an example of something that while valid is grossly misrepresented in the conversation. Those of the "educated" public who openly support the study by Mercatus have glossed over the section where MedicareforAll would immediately put 80% of Hospitals squarely into red ink. Politicians have missed this important issue as well. The ACA was borne out of preconceived notions rather than readily available data. MedicareforAll presently is no different. "US.US" is put into a provable format that can educate politicians into passing a proper, comprehensive, fully vetted proposal.

(#6) "THE PRESIDENT MUST LEAD: Many current health-care-reform proposals, if passed, would greatly disrupt various industries and areas of our society." S1804 and HR 676 and Medicare Extra represent 3

of those. “Congress and the President will face resistance from many citizens, corporations, and special-interest groups. We need a President, therefore, who will ensure that people who don’t “get their way” don’t block action. It’s inconceivable that a social program of the scope required could pass without the President teaching, mediating, leading.”---R.F. (Rosenthal gets it)… Again I acknowledge that there are many sides to every issue and the middle. “US.US” integrates and finds the “sweet spot” in the relationships that exist between all these separate issues. Many of the details of “US.US” will be defined by facts and evidence, mediation and negotiation but ultimately begins with asking the question; “What will it take??” Hospitals and others will tell us exactly what they want or need and why if we simply ask the questions and for supporting data. I recommend that the President initiate this information gathering process by executive order or directive to Congress. Don’t assume…ASK!

PROS AND CONS

PRIVATE MARKET APPROACH

"Under this approach, also known as "tax credit/voucher," SOME people get health insurance from their employers or BUY it THEMSELVES. Government tax credits/vouchers and deductions make such PURCHASES easier for low-income persons. Insurance market reforms also stabilize premiums for small firms. Those who are self-employed receive a 100% tax deduction. Others receive coverage from Medicare or Medicaid, although MOST current proposals (1992) expand Medicaid to give coverage to ALL the POOR."

"US.US" closely follows this approach. Most people WILL get their coverage via their employers at the lowest possible cost. They will also have the opportunity to BUY supplemental coverage up to the 100% level at community rates just like Medicare. Other will receive their benefits via either Medicare or Medicaid. In either of those cases both Medicaid & Medicare will be greatly expanded for those who are working in any capacity. The self-employed are covered based on their income or a predetermined self-employment premium, whichever is higher as self-employed individuals quite often report the lowest possible income. That assessment will be a median number. Finally SUBSIDIES for CARE replace both tax credits and/or vouchers. More on this.

PRO: Provides greater health-care access for some groups of people.

CON: Doesn't mandate coverage for everyone.

Every Single Payer System worldwide has some form of mandated participation. All employer group plans also require a specific minimum participation level to avoid adverse selection. "US.US" eliminates the CON in closely resembling the ACA by including both a personal and employer mandate. It differs from the ACA in that the mandate is imposed on ALL employers, not just the 50+ sector and encompassed ALL wages to include part-time. No longer will employers be able to circumvent the mandate by lowering work hours. It should help the issue of underemployment as there is no longer an economic incentive for employers to do otherwise. Will consolidation create an increase in general unemployment…can't say. However, I do believe "US.US" will ultimately create 3-5 Million short and long term jobs. Further the expanded mandate will generate Billions of new revenue not found in ACA.

PRO: Builds on rather than replacing the current system.

CON: Requires consumers to have a sophisticated knowledge of insurance plans.

"US.US" starts from a median or KNOWN point. While it reforms the current system it DOES NOT attempt to rebuild or replace it. The reforms are mostly internal and change little for the consumer except COST and/or PRICE. They use the same Drs., Hospitals & other Providers. "US.US" DOES NOT insure specific ailments or conditions. It covers ALL MEDICALLY NECESSARY spending that results from medical issues. Like Medicare supplemental plans you are insuring EXPOSURE. There is $25,000 in potential out-of-pocket exposure under "US.US". There is no insurance "mumble-jumble" to decipher.

PRO: Eliminates exclusions for pre-existing conditions.

Under "US.US" pre-existing conditions are covered as NORMAL.

PRO: Promotes managed care concept (HMO's, PPO's, etc.), which set fees and budgets to control costs

CON: Relies primarily on questionable cost-control strategies already in place.

CON: Opens door wider to fraud and false advertising by health insurance companies.

CON: May require much greater government regulation to monitor insurance marketing practices.

PRO: Stimulates competition among insurance companies, improving quality/reducing costs

PRO: Maintains private market based approach

PRO: Increases government involvement and regulation, but at significantly lower degree Than either of the other two approaches.

Cost control systems are built into the "US.US" prototype based on what has been proven to work. In addition there will be a number of moderate "firewall" protections incorporated into the final design. Don't know specifically what they will be at this time. There will be no advertising need or cost to ASO insurers under "US.US". Consumers are protected from PROVIDER FRAUD via the E-File and Patient claim verification system. The market based approach is entirely eliminated and associated cost and government control of the system is handed down to the states. Much like the ACA the government set the standard the states must follow, but more Importantly helps them accomplish that responsibility.

CON: Doesn't address administrative waste.

CON: Would require increased taxes or cuts in benefits.

CON: Continues two-tiered medical system in which those who can afford it have greater coverage, while low income people receive minimum coverage.

"US.US" provides better coverage for those who qualify for expanded Medicaid/Medicare. "US.US" is totally funded from ALL current sources. There is little anticipated difference in aggregate spending among consumers, employers and governments. It should decrease substantially in most cases. Federal dollars for Medicaid should cover far more people at the current cost. Federal spending on subsidies is eliminated. This is an easy sell. All people will be able to achieve equivalent coverage regardless of income based on affordability factor, Medicaid and subsidy.

CON: May offer no real incentive for some employers to "play" because tax route may be cheaper (depending on level of employer tax), which could shift millions of employed people into government pools.

CON: Requires small businesses to pay, through either health insurance ("play") or more taxes ("pay").

COP: Increases taxes, although by much less than necessary for government-based approach.

The employer mandate is set below what many employers currently contribute towards the cost of employee health care. There are no tax incentives. For some small business it COULD perhaps present a burden of sorts, but it is not any different than a modest increase in the minimum wage (which essentially it is), and further ALL employers will face the same circumstances and overall the necessary adjustments will occur. Shifting people into expanded Medicaid will cost both employer and employee the same 6/6.9 but the employee will gain expanded benefits. The government approach would require

a greater percentage from everybody. The employer provides not only a portion of the funding but the stable risk environment that makes the system work. The elimination of employers who pay for 40% of Private Programs and 50% of Medicare Part A funding would be a huge mistake and represent a substantial loss of dollars and stable risk pool that would be hard to replace from other sources.

CON: Enables some insurance companies to continue to operate, which means at least some of their administrative costs (e.g. advertising) to continue.

All of that is eliminated under "US.US". There will only be ONE Plan Administrator to deal with, ONE place to remit dollars. In addition the entire burden on employers will be reduced to a simple payroll exercise. Annual enrollments will be handled by employers by merely distributing and remitting the forms. There are no annual negotiations, etc. which should help offset the cost of the mandate. The administrative corridor for the Plan Administrator will be reduced from 20% to 10% thereby increasing the claims corridor to 90%. This amounts to an automatic 10% reduction in cost to ALL. There will be no need for advertising and other miscellaneous nonsense. However, some insurers will not become Plan Administrators (ASO) and ultimately be eliminated from the process. However, I have some other possible opportunities for those entities. Avoiding massive job loss is a major objective of "US.US".

PRO: