FINANCING UNITED STATES UNIVERSAL SYSTEM

OVERVIEW

The financing of this Integrated, Universal, flexible & Vertical Single Payer System is really quite simple as it is split into thirds. We know that Hospitalization or Catastrophic Events (Part A) consume one third of the healthcare dollar. The highest degree of claims activity and therefore the highest overall cost actually occurs in Parts B & D which consumes two-thirds of the premium dollar. Is it surprising that a $100,000 hospital visit is relatively small when compared to other spending. It is important to note that every decision made by you personally, or your physician, results in the “spending” of your premium dollar and effectively contributes to premium increases. It is a fact that is part of the overall equation.

It is my opinion that any Single Payer System designed in THIS country cannot begin without first addressing the issues of Medicare & Medicaid. Both systems operate on the fact that they reimburse providers at below cost levels and those providers pass those losses on to the private sector in the form of MUCH HIGHER RATES. The Medicare tax rate has not been adjusted since 1991 although the salary caps have been lifted. While Medicare Part A is somewhat sufficient over the shorter term, Parts B & D result in deficit spending. I see support of those systems as vital because they represent the lowest cost method of providing healthcare to those who most need it. Making cuts to our lowest cost system seems counterproductive. This further begins the funding process necessary to offset future increases.

MEDICARE TAX INCREASE:		1%	Employee Mandate	Part A
		1%	Employer Mandate	Part B & D
	Total Increase	2%	Of Payroll	

Bringing Medicare and Medicaid payments to par makes it possible to reduce spending by up to 50% in the private sector in some cases but 30-35% is more realistic. The remaining financing is simple:

“US.US” PART A (100%)	3%	Employee Mandate to $60,000
	3%	Employer Mandate to $60,000
	15%	Benefit tax on Employer Contributions
“US.US PART B & D (50%)	3%	Employee Mandate to $60,000
	3%	Employer Mandate to $60,000
	15%	Benefit tax on Employer Contributions

The final third of the financing arrangement is through the "PUBLIC OPTION" or supplemental coverages priced at the prevailing cost of excess. The employer mandate creates a community rated and stabilizing effect on "PUBLIC OPTION" pricing. It is a provable assumption that implementation of the "POINTS OF RESOLUTION", as outlined, will result in either lower direct cost or a 35% increase in provided services when compared with the old system.

All wages will be taxed equally. This includes all part-time wages and will actually reduce cost per person. The benefit tax is designed for the purpose of leveling a currently less than fair playing field by creating a value tax in relation to the economic benefit received. Currently, many receive NO ECONOMIC BENEFIT from their employers, in thanks, to the ACA. The government currently contributes to healthcare costs by not imposing tax on those dollars. However, this benefit tax will accrue to subsidies. Many who pay the tax, might also receive some form of subsidy. Subsidies will be set aside to pay for actual medically necessary care. While one might qualify for support, if no care is required those dollars will not be spent.

It is further perceived that an infusion of dollars is possible by creating an assessment on both automobile and workman's compensation insurance as both provide for medical benefits. This would decrease liability by shifting those dollars into the new system, and further eliminate another layer of administrative expense and profit as well as exclude those costs from legal process.

A guideline premium will be established for the self-employed and current unemployment benefits will be reduced by a yet to be specified amount as a contribution to the plan , regardless of the benefits received in return. A dependent contribution will be determined after thorough evaluation of available data. It will be dependent on a number of factors. However, the cost of maternity will ONLY APPLY TO THOSE WHO HAVE CHILDREN. It will be financed as part of the dependent contribution in retro fashion and spread over many years. "US.US" is based on INDIVIDUAL income but the dependent portion will be determined by HOUSEHOLD income.